

EEC plan to harmonise drink taxes

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

A SUBSTANTIAL change in the level of taxes imposed on beer and wine in Britain would be required under proposed rules being drawn up by the European Commission. Smaller changes would also have to be made by Belgium and the Netherlands.

The same level of Value Added Tax on beer and wine, and would limit the excise tax on wine to three times the level for the same quantity of beer. Governments would, however, be free to determine the exact rates of tax applied.

But with the legal case still undecided, the UK appears disinclined to the Commission's suggested compromise, which it considers a poor bargain. The Government is expected to argue that while it is being asked to make a radical change in the structure of beverage taxation immediately, Germany, Italy and Luxembourg are being asked to give a much vaguer commitment to do so, only when fiscal frontiers are abolished in the EEC.

Renewed strike wave in France

TALKS BETWEEN the French Government and unions over steel industry jobs resumed yesterday against a background of renewed industrial action which coincided with a widespread civil servants' strike. Stoppages and protests were organised in steel mills, particularly in Lorraine, where unions presented a joint front.

U.S.-Spain talks on use of bases

Middle East allies. The matter has acquired new importance since the Camp David peace agreements. The Press here has speculated that the U.S. is pushing the Government to recommend Spain's membership of NATO when the U.S. defence treaties expire at the end of next year.

now under discussion with the Pentagon. The matter has acquired new importance since the Camp David peace agreements. The Press here has speculated that the U.S. is pushing the Government to recommend Spain's membership of NATO when the U.S. defence treaties expire at the end of next year.

Gonzalez steers a delicate course

SR. FELIPE GONZALEZ, leader of the Spanish Socialist Party (PSOE), yesterday pledged to carry out a policy of responsible opposition, following its defeat in the March general election.

He skirted all direct mention of the party's relationship with the Communists. Referring to tactics for the new Parliament controlled by the ruling Union de Centro Democracia, he said the PSOE must be "autonomous".

Switzerland to vote on VAT introduction

SWITZERLAND'S Government, which fears its budget deficit might soon rise to as much as SwFr 4bn (£1.18bn), is urging acceptance of value added tax, already used by 10 European countries including Britain.

without being a member of either. Speaking in Neuchâtel, M. Aubert said this week that Switzerland's non-membership of the World Bank, which "was often connected with the rejection by the Swiss electorate of participation in the fourth capital raise of the International Development Association," was misunderstood in the outside world.

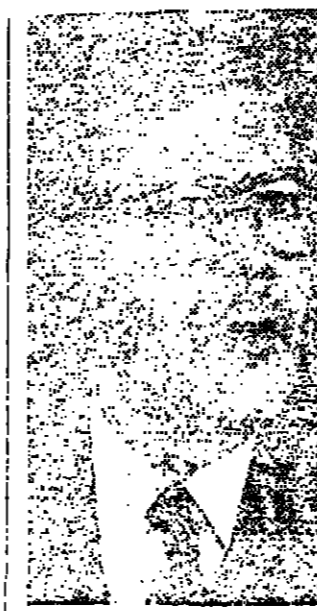
The proposal compares with a general VAT rate of 3 per cent in Britain which switched to this form of taxation in 1977 after joining the Common Market. The highest VAT rate of 20.6 per cent is levied by Sweden, followed by Norway with 20 per cent.

France looks at fresh investment in a depressed steel region

THERE ARE two kinds of industrial investment. The first more benevolent variety, injects money into a new operation, seeks out fresh markets, and creates a lot of new jobs.

leashed between France and Germany in 1870. "We have already formed a united Europe here," says one of the local mayors, a disciple of the late Robert Schuman, who came from just across the border in Luxembourg.

By far the most important weapon in the armoury is the FSI, a FF 3bn fund conceived by the Government last September. This has become a crucial element in current French industrial policy. It is short term, and specially tailored to the needs of the areas suffering from obsolescent industries—the steelmaking regions of Lorraine and the North, and the shipbuilding communities in the West and around Marseilles.



Herr Helmut Schmidt

Schmidt criticises E. Germans

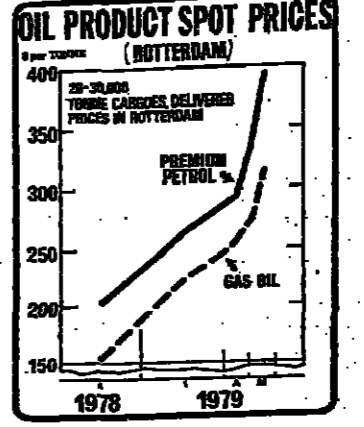
By Roger Boyes in Bonn

HERR HELMUT SCHMIDT, the West German Chancellor, yesterday defended Bonn's policy of co-operation with East Germany and said that it had brought about significant humanitarian benefits. But, in his annual state of the nation address, he sharply criticised East Germany for its treatment of Western journalists and for allowing trade to deteriorate between the two countries.

Rotterdam spot oil market Demand defeats supply

BY KEVIN DONE, ENERGY CORRESPONDENT

THE ROTTERDAM spot oil market has been a growing source of embarrassment for western governments and the oil industry ever since the ten-week halting of crude oil exports from Iran guaranteed that oil prices would take off this year in dramatic fashion.



The name comes from the fact that most of the oil in which "Rotterdam Market" operators deal, is available in the area of Rotterdam and Antwerp, where over the past 25 years the major international oil companies have built up the biggest refinery complex in the world.

able products is further complicated by the long time lags between setting up supply and refining programmes and actually implementing them. It takes five weeks or more for a tanker to bring crude oil from the Gulf to Europe and in the meantime demand in the market may have altered.

Christian Democrats gain in Italy

BY PAUL BETTS IN ROME

LATEST OPINION polls indicate a modest advance for the Christian Democrat Party and a small decline for the Communists in the Italian general elections on June 7 and 8.

slightly more than 50 per cent of the electorate. The Christian Democrats are likely to gain some votes on the left of the party, but they do not expect to win substantial votes from the right.

Tro talks with Brezhnev

By David Satter in Moscow

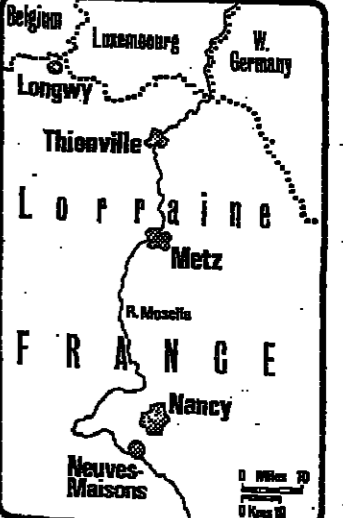
YUGOSLAVIA'S President Josip Broz Tito yesterday met Soviet Premier Leonid Brezhnev for talks which focused on the often difficult relations between Moscow and Belgrade.

Dutch row on economic package

BY CHARLES BATCHELOR IN AMSTERDAM

THE TWO member parties of Holland's ruling coalition have been unable to agree on measures to slow the rise in incomes and curb the growth of public spending. Further efforts are expected at today's Cabinet meeting to reach a compromise between the Christian Democrats and the right-wing Liberal Party.

The disagreement between the two parties centres on Liberal opposition to the plan to limit price compensation for the higher wage earners. It would prefer the Government to implement immediately a plan it has drawn up to cut spending programmes and speed the collection of taxes.



drive for new industry. Thus the launching of FSAI, the chosen vehicle to counter the destructive effect of the job-shedding investment of the steel industry with a more benevolent variety.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. Second class postage paid at New York, N.Y. and at additional mailing offices.

David Buchan reports on the threat to U.S. Africa policy Rhodesia sanctions in the balance

THE TIDE in Congress is running in favour of a speedy removal of trade sanctions on Rhodesia. That was the explicit message of this week's Senate resolution, by a surprisingly large 75 to 19 vote majority, that the economic boycott should be lifted shortly after the installation of the black majority Government, led by Bishop Abel Muzorewa, which emerged out of Rhodesia's elections last month.

Conservative supporters of Mr. Ian Smith, the white Rhodesian leader, have long hammered away in the Senate at what they have seen as the Administration bias towards the Marxist guerrilla movement, the Patriotic Front. This line has gained backing in the new Congress, more Conservative than its predecessor.

But the key event that has swelled the anti-sanctions lobby was the April elections in Rhodesia—to which the Carter Administration declined to send observers, fearing that this might connote official endorsement.

Private observers, including Freedom House, a well-respected civil rights group, whose officials reported that the April poll constituted "a significant advance toward multi-racial majority rule," have on balance endorsed the conduct of the election.

Brazil state company spending cut

BRAZIL has cut Cr 72,690bn (\$2,955bn) from the budget of state run companies and the administration's own capital spending programme in a move to help reduce inflation and cool the overheated economy.

The reduction follows a \$2.4bn cut in public spending last month when ceilings were placed on foreign borrowing, food prices frozen and credit restrictions placed on durable consumer goods.

The state companies' budgets now have a fixed ceiling for 1979 of \$20.3bn. This is 30.2 per cent higher, nominally, than 1978, but in real terms, with annual inflation over 40 per cent, the 1979 figure represents a reduction.

The most drastic cuts have been made in railway, shipping and road system budgets, with reductions of 45.1 per cent, 29.2 per cent, and 19.2 per cent respectively. The electricity and telecommunications budgets are virtually untouched.

The paring of state company budgets is likely to hurt Brazil's capital goods industry which depends heavily on government orders.

Lopez Portillo replaces three senior Cabinet Ministers

THREE leading Mexican Cabinet Ministers have been replaced by President Jose Lopez Portillo in a move which could have profound repercussions on the country's political and economic strategies.



Sr. Lopez Portillo

His replacement is a politician of traditional views. Sr. Olivares was President of the Senate during the presidency of Sr. Luis Echeverria.

IATA concern at U.S. timetable

THE INTERNATIONAL Air Transport Association (IATA) has voiced concern at the brief time allowed by the U.S. Civil Aeronautics Board (CAB) to obtain proof of why U.S. airlines should be allowed to take part in IATA's fare-fixing activities.

IATA's executive committee said yesterday that it welcomed the CAB's decision earlier this week temporarily to allow IATA to go ahead with a two-tier system which has separated its trade co-ordination and price-setting activities.

lead to liberalisation and openness in the public interest. The tight calendar of hearings set by CAB, from June 19 to October 15 runs counter to requests by "numerous foreign governments with the support of the U.S. State Department."

Plan for additives anti-trust case

THE Federal Trade Commission will shortly consider staff proposals for the launch of its first "price signalling" anti-trust case against four manufacturers of anti-knock additives for petrol.

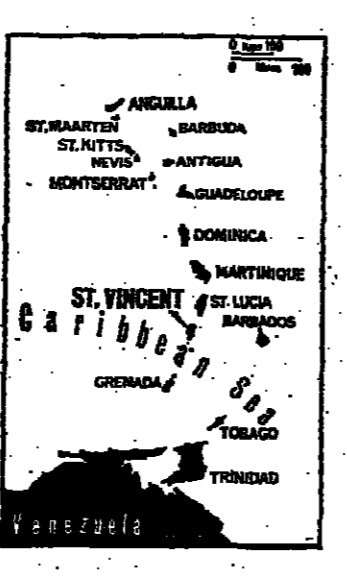
Both the FTC and the Department of Justice have been concerned for some time about the practice of companies in highly concentrated industries of announcing through the press their intention to raise prices.

Richmond, Virginia, Du Pont Co. of Delaware, PPG Industries of Pittsburgh and Nalco Chemical Company of Oakbrook, Illinois.

Tony Cozier reports on St. Vincent's struggle to recover after the Soufriere eruption In the shadow of a volcano

THE SOUFRIERE volcano on St. Vincent, which rumbled into activity on Good Friday, has now been relatively quiet for three weeks. Since the last of 20 eruptions on April 25, scientists monitoring Soufriere's unpredictable behaviour are said to be guardedly optimistic that the worst is over.

Managing nearly 20 per cent of the population who have suddenly found themselves without homes and without their usual means of support has placed an enormous burden on a Government which had budgeted for a total expenditure of about \$5.5m for the current financial year. It estimates that it is now spending over \$15,000 daily to keep the centres going.



The hardest blow has been to the vital banana industry. St. Vincent's principal export crop and largest single employer. Plantations in the immediate vicinity of Soufriere were devastated but in other parts of the island the fallout of ash and dust scorched the skin of the fruit.

In common with the other Windward Islands, St. Vincent sells almost its total production to Geest Industries of Spalding in Lincolnshire. It was anticipated that exports would be worth over \$2m this year, but weekly shipments have dropped from an average 800 tonnes to under 300 tonnes since the eruptions, with losses running at \$40,000 each time.

Third World aims to protect gains through UNCTAD

THIRD WORLD nations at the United Nations Conference on Trade and Development (UNCTAD) in Manila are trying to place curbs on the so far unfettered right of some developed countries to withdraw preferential tariffs which, in the past, have served to boost exports from the underdeveloped world.

The bid at the UNCTAD conference follows important gains made by the Third World nations in the recent Tokyo Round trade talks in Kyoto. It was there that they obtained recognition that what are known as Generalised Schemes of Preference (GSP) become a permanent feature of the world's trading system.

These are, basically, benefits to developing country exports operated mainly by the U.S., the Common Market, and Japan.

While recognition of the GSP system by the Third World was gained, the Tokyo Round, conversely, also saw a further whittling down of the advantages of these schemes with a reduction of the margins of preferences enjoyed by them compared with the average tariff levels operated by the richer nations.

Of this proportion, only about 40 per cent actually received preferential treatment in 1976, the most recent period for which figures are available, without being subjected to some restriction in 1976.

According to 1975 figures, the Soviet Union and Hungary imported \$1.7bn worth of goods from developing countries. This is among the main reasons why developing countries are now criticising the socialist camp for dragging its feet in helping the Third World.

The UNCTAD report says that while GSPs have been useful, it will not fulfil the original aims of promoting Third World exports and economic development without substantial improvement.

At the same time, an African attempt to draw up a common line on how to improve trade access to Communist countries ran into problems with the Latin Americans.

EUROPEAN TEXTILES Commission modifies plans to restructure industry

EEC COMMISSION plans to intervene actively in the textile industry to help it adapt to changed world market conditions. The aim is to provide manufacturers with access to figures on output, stocks and demand. Inside the Community, and on relevant developments outside the EEC, enabling them to plan ahead more effectively on a pan-European basis.

The annual Ready to Wear Festival in Hong Kong, reputed to be the biggest fashion showcase in South East Asia, has been postponed until 1981 because of the non-availability of a suitable venue, its organiser, the Hong Kong Trade Development Council, has announced.

on a national basis and often not directly comparable from country to country. The estimated cost of providing the service, to be administered by Comitextil, is in units of account a year (£880,000). The Commission is believed to be proposing to pay three-quarters of the cost in 1980, one-half in 1981 and one-quarter in 1982.

INDIA'S TRADE deficit almost doubled in the 1978-79 financial year to Rs 10,62bn (\$1.3bn) from Rs 5,81bn (\$726m) in the previous year. The trade gap would have been larger still but for a surge in exports in the final January to March quarter.

Exports rose by 5.5 per cent in the year under review to Rs 55,4bn (\$7bn) while imports increased by as much as 13.2 per cent to Rs 66bn (\$8.2bn).

Of this proportion, only about 40 per cent actually received preferential treatment in 1976, the most recent period for which figures are available, without being subjected to some restriction in 1976.

China and Japan to sign \$2bn commercial loan

CHINA is expected to sign a second loan agreement today with a consortium of private Japanese banks. This will be a \$2bn (2985m) syndicated loan carrying an interest rate of 0.5 per cent over LIBOR.

Commission modifies plans to restructure industry

The Commission is now looking instead at specific areas where it can help the industry, starting with financial assistance for a greatly improved statistical service. It has evidently decided against trying to work out any grand design for the sector.

The creation of better information machinery—one of the proposals put forward by the industry—was agreed at a meet-

ing between the Commission and Comitextil, the representative body for European textiles in Brussels last week. The aim is to provide manufacturers with access to figures on output, stocks and demand. Inside the Community, and on relevant developments outside the EEC, enabling them to plan ahead more effectively on a pan-European basis.

Task forces have been formed to look into the problems of "dynamic" exports like leather products, gems and jewellery, handicrafts, electronics, project exports, export services like consultancy and exports from small-scale industries. A new thrust has also been given to agro-exports following four successive bumper harvests.

Polish deficit reaches \$311m

POLAND'S HARD currency foreign trade deficit was \$311m in the first quarter of this year, according to figures just published by the Central Statistical Office here.

China and Japan to sign \$2bn commercial loan

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MEA to spend \$500m on new aircraft fleet

MIDDLE EAST AIRLINES, the flag airline of the Lebanon, is now considering the purchase of a fleet of up to 19 new jets, worth about \$500m, with Rolls-Royce RB-211 engines.

Volvo offers truck plant

GOTHENBURG — Volvo is negotiating a deal with China worth several billion crowns relating to a heavy truck plant capable of assembling 50,000 units per year, according to Mr. Bertil Bengtsson, head of Volvo's international marketing arm.

Canada satellites

SPAR Aerospace of Toronto has been awarded a \$76.6m contract to build Telesat Canada's next generation of communications satellites known as Anik-D, Victor Mackie writes from Ottawa.

Handwritten text in a box: "1550/1550"

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WE'VE GROWN FROM
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SINCE 1975.**

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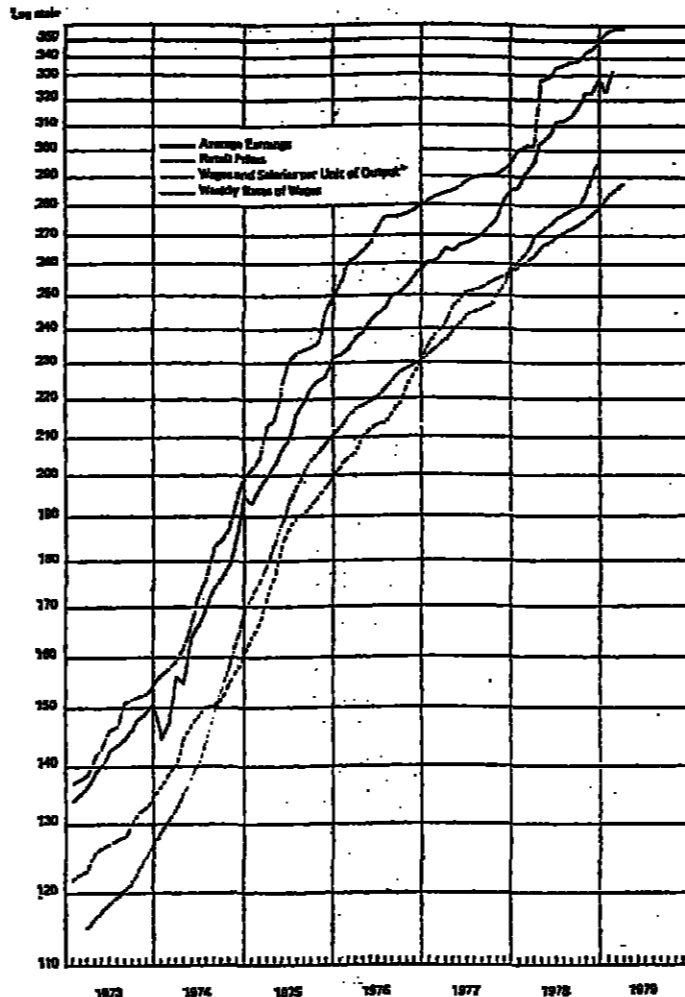
RON CRAGG, MANAGING DIRECTOR, PERICOM DATA SYSTEMS.



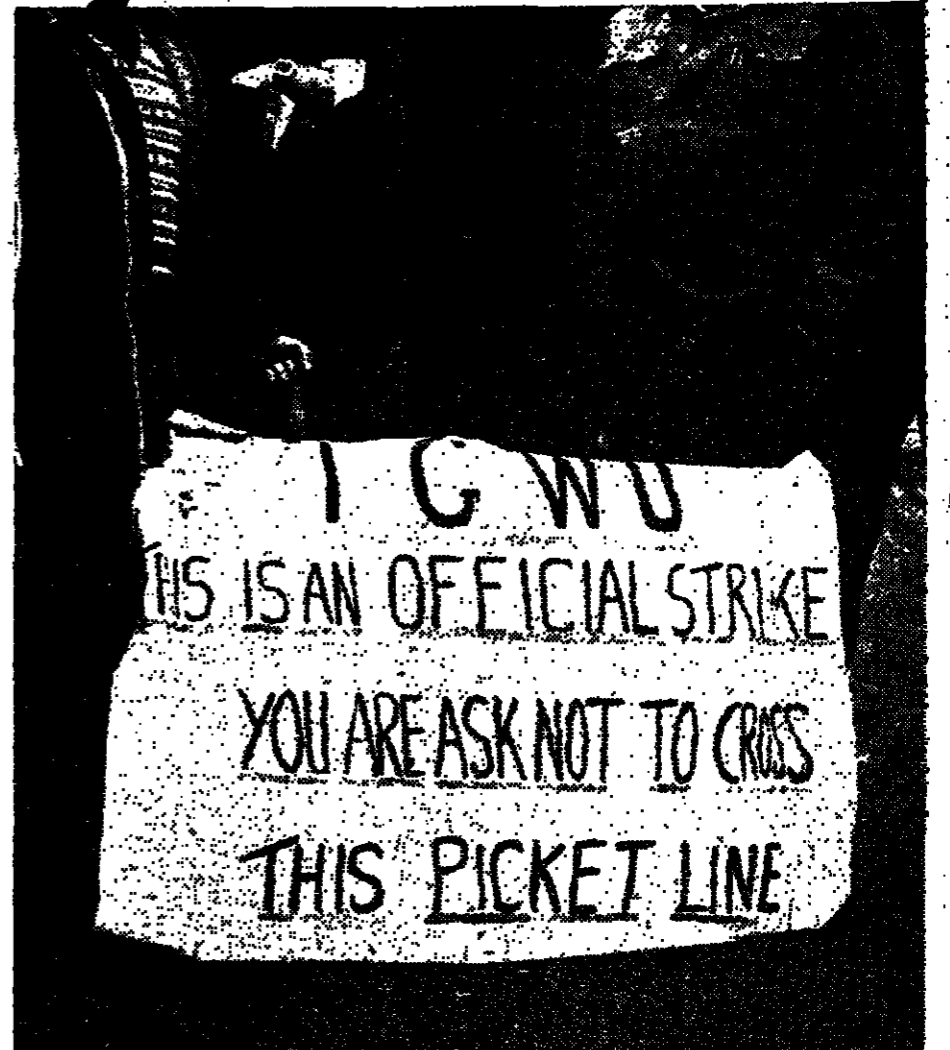
CONTACT: COMMERCIAL DIRECTOR, MILTON KEYNES DEVELOPMENT CORPORATION, WAVENDON TOWER, MILTON KEYNES MK17 8LX. TEL: MILTON KEYNES (0908) 74000.

150

You don't need Old Moore's to tell you what you're in for this year.



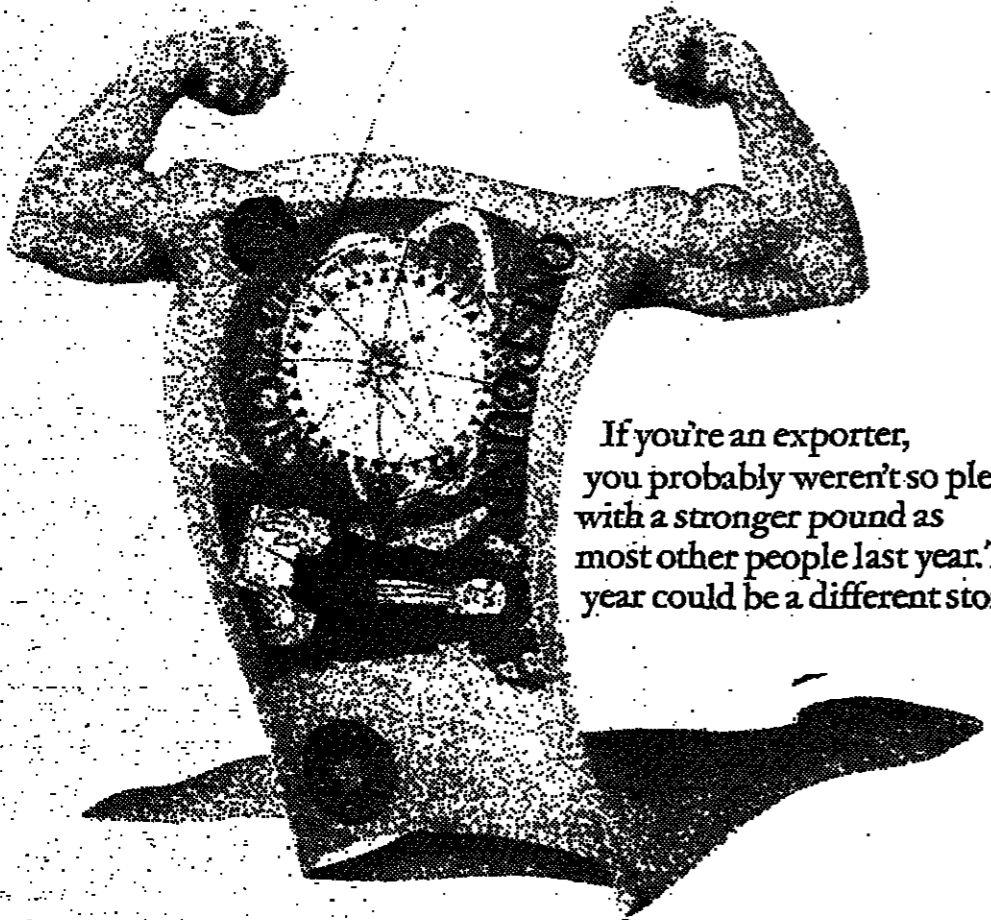
Wages went up by 14.9% between Feb '78 and Feb '79. During the same period inflation only went up by 9.6%. What's your guess for next year?



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Yesterday Iran. Tomorrow, who knows? Oil, petrol, plastics, the list of raw materials affected by political upheavals last year is endless. Today, petrol rationing in California. What next?

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If you're an exporter, you probably weren't so pleased with a stronger pound as most other people last year. This year could be a different story.

Like it or not, the unforeseeables in a continually changing business world are a fact of life.

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FINANCIAL TIMES REPORT

Friday May 18 1979

Steel Coating at Shotton

Europe's largest coating complex

By Roy Hodson

AFTER FOUR years of heavy losses the British Steel Corporation will start to harvest some of the fruits of its investment programme this year.

The £45m complex at Shotton, North Wales, for finishing strip steel with metallic and organic coatings, is to be opened today by Lady Villiers, wife of Sir Charles Villiers, the chairman of the corporation. The series of coating lines has been brought into production quickly and smoothly and is already a highly productive unit.

In Scotland, the new deep-water iron ore terminal and the direct reduction plant at Hunterston is being prepared for formal opening in the near future. On Teeside, the 10,000-tonne-a-day blast furnace—the biggest in Britain—will be lit this summer to provide the key-stone to a £400m investment on the south bank of the Tees that will provide some of the cheapest iron made anywhere in Europe.

In round figures, British Steel has experienced a £3bn negative cash flow during the period 1975-79. £1bn of the money has disappeared in trading losses. The other two-thirds of the money may prove to be the salvation of the business. For it represents the

biggest capital investment programme ever undertaken in iron and steel by a European nation.

As the world steel market continues to look better and brisker (even the depressed producers of Western Europe look forward to exchanging losses for profits this year), the British Steel Corporation—financed by the taxpayer, it should be said—is in a specially favourable position.

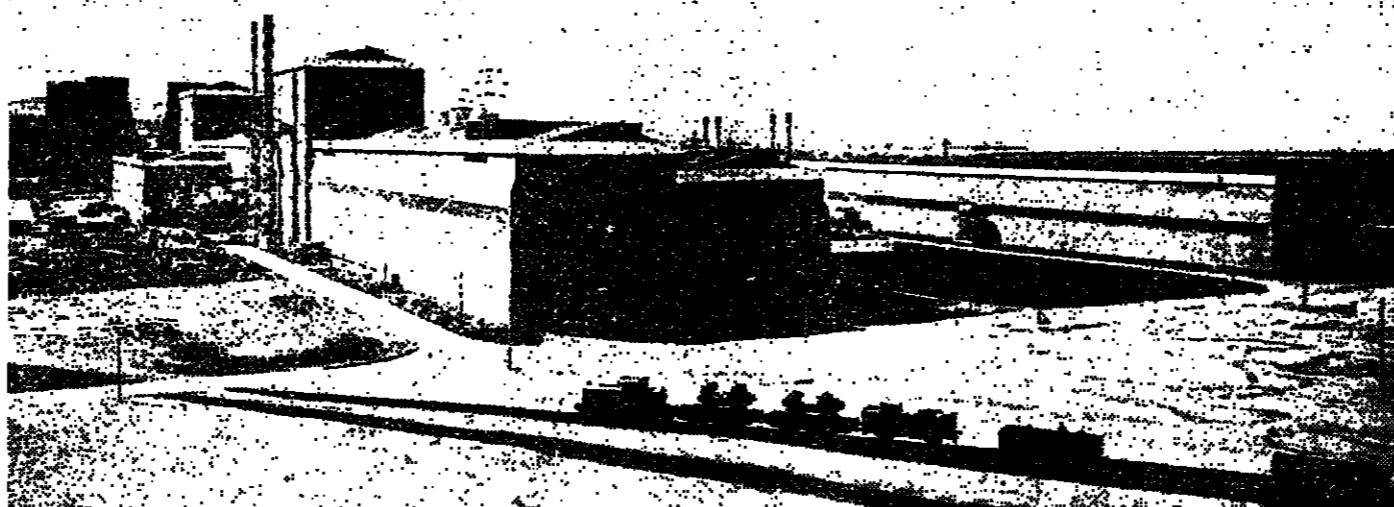
It is completing its massive investment cycle involving expenditure of more than £500m a year at the very time when the markets are improving. The other steelmakers of Europe are now thinking about new investment to match the prospect of bigger and more profitable markets in the 1980s. But they are hesitant and are now finding it difficult to persuade the financial world that the iron and steel industry can provide a reasonable return upon capital in the future.

Plans

The new UK Government is known to have plans for British Steel: plans designed to ensure that the taxpayer will not be responsible for further annual losses ranging as high as £440m a year on what is, after all, supposed to be a competitive manufacturing industry, not a State service industry. Yet, equally clearly, British Steel if properly managed can put its expensively-won new production facilities to excellent use during the next few years. Conceivably it can become the envy of other European steel companies which are soldiering on with ageing equipment and are unable to engage first gear for new investment rounds.

British Steel is big by world standards. Indeed, it is the third largest steel company in

The European market for coated steel is continuing to develop at a faster rate than steel usage, overall. Today's opening of the £45m complex for coating steel strip at Shotton Works, Deeside, North Wales, marks a major step forward in a strategy to win back strip steel business to British Steel.



The new development at Shotton adds 500,000 tonnes a year to the plant's capacity for coating strip steel

the western world with a productive capacity of some 22m tonnes of liquid steel a year. It ranks immediately after Nippon Steel (40m tonnes) and U.S. Steel (30m tonnes).

British Steel is also well equipped now that the new plant is being brought into use. The £2bn expenditure since 1975 has brought what Sir Charles Villiers, an old soldier, likes to call "excellent kit".

On the debit side of the ledger, British Steel's productivity is still poor. There are many more unions represented in each British Steel plant than in a comparable plant on the Continent. Most observers believe that is the corporation's main obstacle to greater produc-

tivity. However, great efforts are being made by the management to redress the balance and to cut out wasteful labour practices. All the plants recently commissioned—including the Shotton coatings lines—have been manned, after hard bargaining, to the most rigorous international manning standards practised in world steel-making.

Another problem for British Steel is that the corporation's management has still much to learn about marketing its products. The grand tradition of Britain's steel masters has been in steelmaking, not steel salesmanship. To his lasting credit, Sir Charles Villiers, a banker and businessman, has shown his

team how to survive in the market place.

Nowhere has British Steel suffered more from competition than in strip products (flat-rolled steel sheet) which is the speciality of the Welsh Division. Competition for sheet sales is severe and British Steel has been losing more than half its home market, at times, to imports.

Shotton's new coating lines are the crucial pieces in a strategy designed to win back strip steel business to the British Steel. The new investment in zinc coating lines and in lines for coating strip steel with paints and plastics enhance an already considerable coatings complex at Shotton. The site is now the most wide-ranging

complex for coating steels to be found anywhere in the world and the largest in Europe.

It gives added muscle to British Steel's previous investments in zinc coatings, in paint coatings, and in tinplate production, in South Wales.

Manufacturers who use sheet steel—in particular makers of vehicles and domestic appliances—are increasingly anxious about the high cost of painting or weather-proofing their products and thus are showing a growing readiness to consider using sheet steel pre-coated at the steel works.

Some domestic appliance manufacturers now manage to eliminate paint shops entirely from their production lines by

using British Steel sheet pre-coated with paint or plastic finishes. The car manufacturers are turning to steel coated with zinc on one side in order to reduce the onset of rust inside doors and body panels. In future, they may well opt for steel zinc-coated on both sides, or otherwise finished with a tough protection.

blast furnaces and antiquated open hearth steel furnaces making steel at such a high unit cost that the works has virtually no chance of making an overall profit.

British Steel would like to close the Shotton steelmaking side and provide the finishing lines with steel made at other works round Britain. The workers at Shotton—a tight-knit clan fiercely loyal to their plant rather than to British Steel—ridicule any such plan. They say that the other plants in the corporation could not be relied upon to deliver special quantities of steel to Shotton in the right quantities at the right time. They have a case. British Steel has not shown itself adept at inter-works co-operation.

Exports

The ability to coat large quantities of strip steel with zinc, paint or plastics, is British Steel's high road back to winning a dominant share of the British strip steel market and increasing its exports.

Now that the new Shotton facilities are in production, British Steel will be able to coat in various ways more than one-third of its total strip steel output of some 8m tonnes a year. That is a proportion of coated finishing to strip steel production that cannot be matched anywhere else in Europe by a major producer. It is probably unique in the world.

British Steel can make about 1.2m tonnes a year of tinplate after completing recent investment projects to modernise its facilities in South Wales. With the introduction of the new Shotton coating lines its capacity to produce organically coated steel (paints and plastics) and zinc-coated steel, rises from 1m tonnes a year to 1.5m tonnes a year.

Shotton works, sited on reclaimed Dee estuary marshlands, is itself a curious animal. It could be likened to a new Porsche fitted with a Model-T Ford engine. The steel finishing and coating lines are among the best in the world and are highly efficient units, economically manned. But 5,000 of the works 10,000 labour force works on the other side of the plant on ageing

Mr. John Powell, the director of Shotton, has spent nearly seven years managing the development of the new coatings complex. Shortly, he is to move to another corporation post as director of the Associated Products Group. His successor will take over what is probably the world's best coating complex. The corporation may decide to feed Shotton with steel made elsewhere in Britain. Or it may be encouraged (depending upon the political and economic climate), to consider anew the provision of modern steelmaking at the works, so that Shotton can continue as a full integrated steelworks. The second possibility is remote but it exists.

Six months ago morale at Shotton was sagging because of the threat of early closure to the iron and steel side. The sparkling performance of the new coatings investment has transformed the atmosphere about the place. The success of the coatings scheme and the support it is being given by the work-force underlines the point that a steelworks can be something special: more than just a factory in fact.

Rolls-Royce Motors, Philips, Heat Transfer, Frank and John.

Just some of the people behind Europe's most modern steel coating plant.



Frank and John? They run the Abru ladder company, typical of the go-ahead smaller manufacturers who have benefited from switching to coated steels. Like many other companies, big and small, national and international, Frank and John made the switch for three simple reasons: coated steel means better products, cleaner workshops and less wastage. To satisfy the rapidly increasing demand, British Steel—already a world leader in the new generation of coated steels—has opened a £44 million plant at Shotton, North Wales. The new plant, Europe's largest, further boosts

modern facilities in North and South Wales already supplying the world with high-quality coated steels. Colorcoat, pre-finished pre-painted steels; Stelvetite, a pre-finished plastic-laminated steel with a choice of decorative finishes; Zintec, the electro-zinc coated steel; and Galvatite, top-quality hot-dip galvanised steel. Let British Steel's designers and technical experts help you make more successful products, more economically. With BSC coated steels.

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Rolls-Royce Motors.
Zintec. "More than meets our specifications and gives us the right price/quality ratio."
Philips Domestic Appliances.
Colorcoat. "We cut out the paint shop—and get a better protected, attractively finished product."
Heat Transfer.
Stelvetite. "Strong yet light in weight—with a finish that adds to the appeal of the product."
Frank Abbey and John Bruton, Joint Managing Directors, Abru Aluminium.

British Steel Corporation

To: Manager, Market Promotion, BSC Strip Mill Products, P.O. Box 10, Newport, Gwent NP23 5XN. Tel: 0633 272281. Telex: 497601. Please send me details of the British Steel Corporation range of coated steels.

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All set to capture new markets

MARKETS FOR coated steels are growing rapidly in most of the developed nations. The reason is not hard to discover. The painting of steel products is a time-consuming process, and when carried out on a manufacturer's production lines it is also an expensive one in terms of capital tied up in equipment.

Furthermore, the process involves outlay in safety and air cleaning plant to comply with health and safety at work regulations in many nations.

A growing number of manufacturers and constructors are discovering it can be cheaper and more efficient to use steel pre-coated at the steelworks.

Galvanised steel has been a popular material throughout this century and appears to have a good future. Motor car manufacturers, for instance, are now exploring its potential for longer-lasting bodies.

Electro-zinc coated steel which has a very thin coating of zinc compared with galvanised sheet is a growing favourite among appliance manufacturers and is now found in many washing machines and refrigerators.

Growth

Manufacturers are still hesitant about large scale usage of the works-painted steels such as British Steel's Colorcoat range but all the signs are that this is likely to be a market sector with explosive growth in the 1980s.

Finally, there are the true plastic-coated steels. Some are made by the Colorcoat process using liquid plastic applied to the steel sheet. Others are produced by the Stelvetite method of laminating a plastic film to the steel with an adhesive.

The plastic-coated steels are finished decorative material which is finding a host of new uses in car interiors, office equipment, building, domestic furniture, even household doors and window frames.

Although plastic-coated steel can cost up to four times as much as unfinished steel sheet, the manufacturer can obtain value for money. Some of the speciality finishes now offered

by British Steel include a suede texture, a metallic effect, simulated wood grain, and even an aluminium effect—which might be said to be closing the competitive circle between steel and aluminium.

British Steel maintains a research and development laboratory specialising in coated products next door to the Shotton steelworks. Dr. M. A. Adams, the manager, is leading a programme which has survived unscathed despite British Steel's recent cutback on research and development.

The market potential of the coated steels in the 1980s is seen within the corporation to be so great that it is one research area where work must continue in order to keep a competitive edge.

Dr. Adams claims that British Steel is one of the relatively few big producers of organic coated steel (paint and plastic finishes) in the world to have successfully met the challenge posed by the high-speed manufacturing methods and the designs of the domestic appliance manufacturers.

The first domestic appliances made from Colorcoat—steel painted while in coil form—are now starting to appear in the shops. British Steel researchers believe the Colorcoat plants will have proved their effectiveness if those products are not recognised by consumers as in any way different from appliances painted in the traditional way.

The new British Steel organic coating line at Shotton can be used also to apply the American Zincrometal process. So far, no decision has been made to put Zincrometal steel sheet into production, although the corporation has held a licence for some time from the American inventors, Diamond Shamrock.

But Zincrometal has already had an important impact upon the U.S. automobile industry and the European car makers are taking a keen interest in it.

Basically, Zincrometal is a painting process by which a primer and a top coating of zinc-rich paint can be applied to sheet steel on a production line. The process has the



Coils of assorted coated products await despatch to customers from one of the stocking bays at Shotton.

special advantage that the treated sheets can be welded to secure a good joint without impairing the effectiveness of the corrosion resistant finish.

Detroit manufacturers are now using more than 1m tonnes of Zincrometal a year for car body applications where a corrosion-resistant inside surface is important. The other side of Zincrometal sheet is untreated to enable a high gloss car finish to be obtained.

However, there are other ways to check corrosion in vehicle bodies. For instance, Shotton is making electro-zinc galvanised steel treated on one side only. That product could become a popular choice among European car manufacturers.

Trends

In the longer term, the steel researchers in British Steel think the car-makers will have to look for more substantial protection for bodies and chassis than either paint or thin zinc coatings. Rising energy costs are likely to dictate new policies to ensure that cars become not only more economical, but last longer without being attacked by corrosion.

The ultimate solution may be fully galvanised car bodies made from hot-dipped galvanised sheet able to afford protection inside and out. British Steel would be well equipped to supply best-quality galvanised sheet from its new Shotton line.

The trouble with galvanised sheet is that it is difficult to obtain easily the high-gloss paint finish to which car owners have become accustomed during half a century of sales room promotion. But it can be done. Porsche has recently produced a body completely manufactured from galvanised steel.

The advantage of galvanised

steel over other methods of steel protection is that the zinc in the galvanising layer can actually protect the cut edges of the steel from corrosion by means of sacrificial action. No other coating offers that bonus.

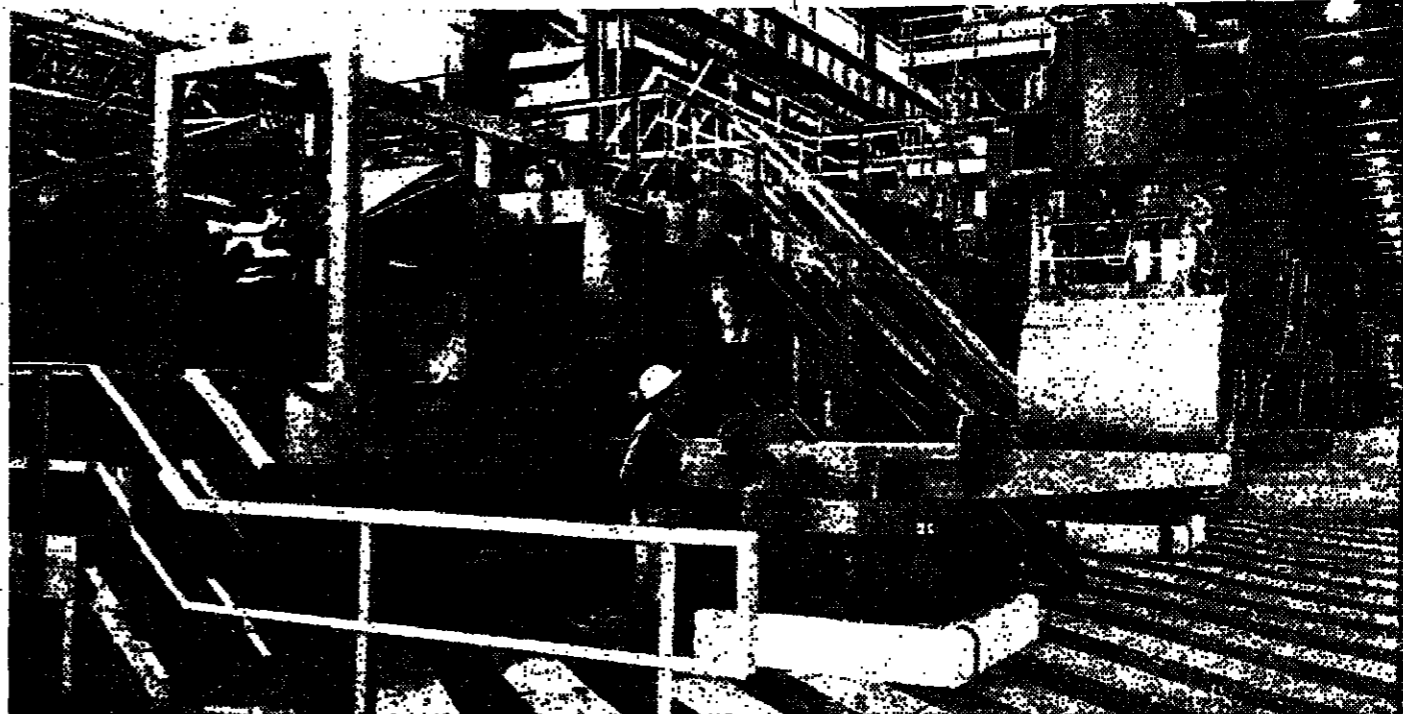
Meanwhile, at Shotton one of the most promising markets seen for coated steels generally is the construction business. The paint and plastic finishes are becoming increasingly popular for exterior cladding of buildings and for doors and other fittings. When coating steel for exterior use British Steel prefers to use strip that has already been galvanised. Thus, the metal has a double protection for long life.

Apart from the convenience of using pre-coated steels in industry and in construction, the health and safety benefits conferred by the materials are likely to become an increasingly important factor encouraging their use.

It is much easier to contain and control the problems of inflammable or toxic fumes on a production line in a steelworks than it is in a factory paint shop. The new liquid coating line at Shotton has facilities for totally incinerating the solvent vapours arising from the paint-drying operation. The heat gained is then used in another process on the line.

British Steel is backing all the horses in the coated steel race. Whichever form of coatings ultimately prove to be the most popular choice of consumers, the corporation will be able to supply. Having spent more than £100m altogether in recent years on a range of new coating lines, including tinplate, zinc and organic coatings, British Steel has the capacity and the flexibility to supply fast-changing markets.

R.H.



A coil of organic painted strip steel is moved off the turntable at the exit end of the No. 1 Colourcoat line in the £45m Coatings Two complex at Shotton.

British Steel Corporation
Welsh Division SHOTTON WORKS

LEADERS IN EUROPE

GALVATITE
hot dipped
galvanised
strip

ZINTEC
electro zinc
plated strip
and plate

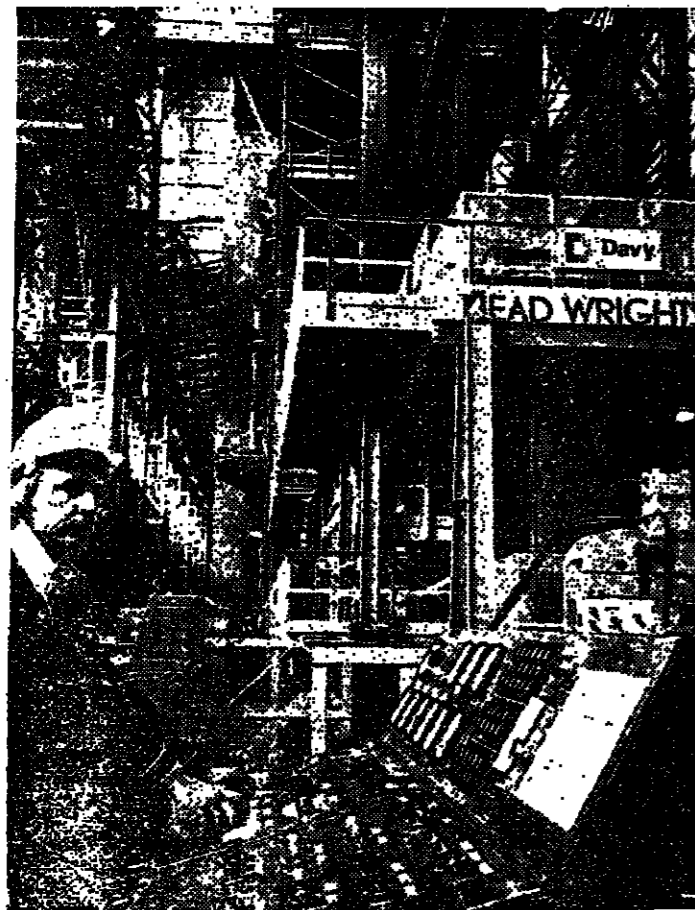
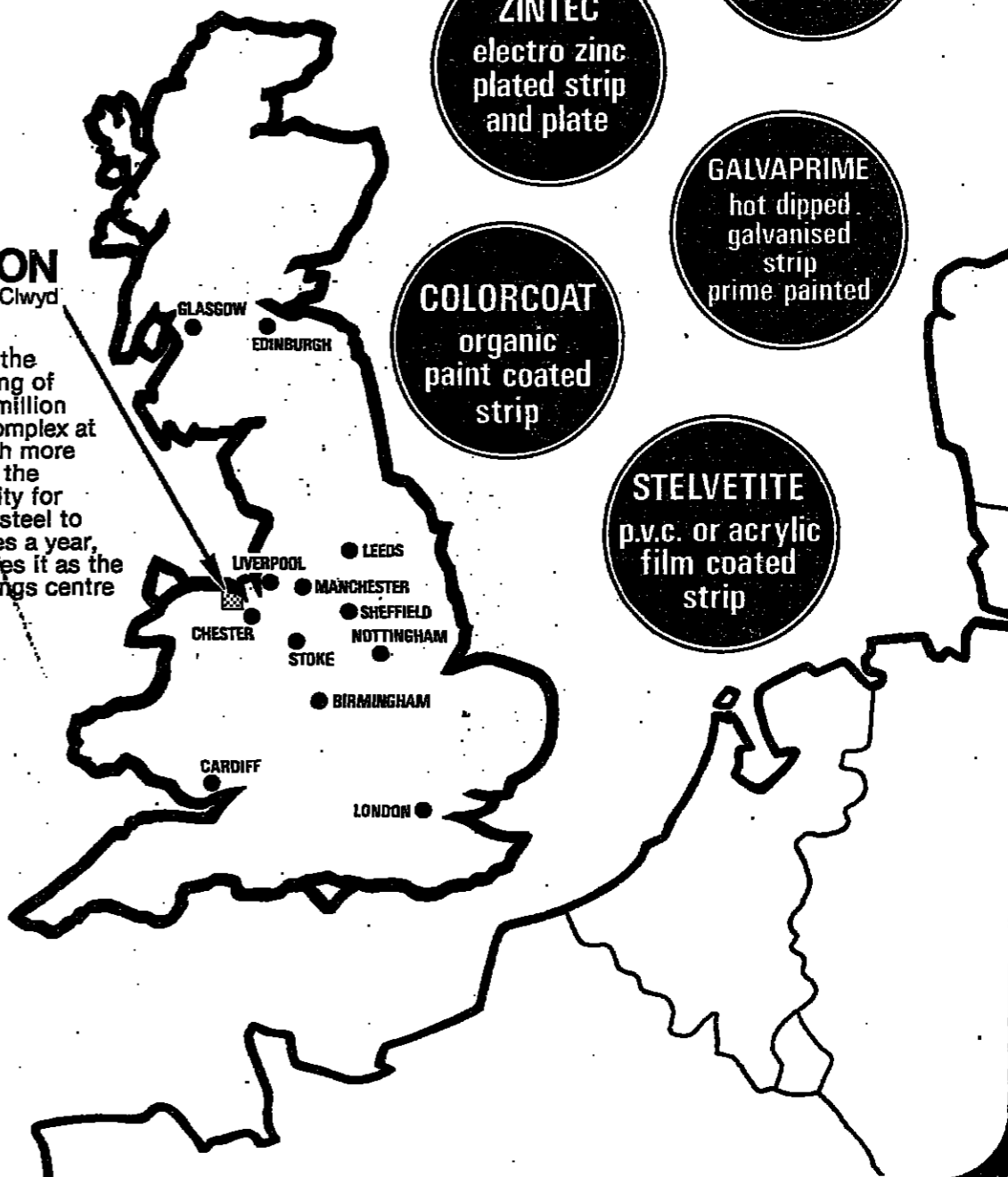
GALVAPRIME
hot dipped
galvanised
strip
prime painted

COLORCOAT
organic
paint coated
strip

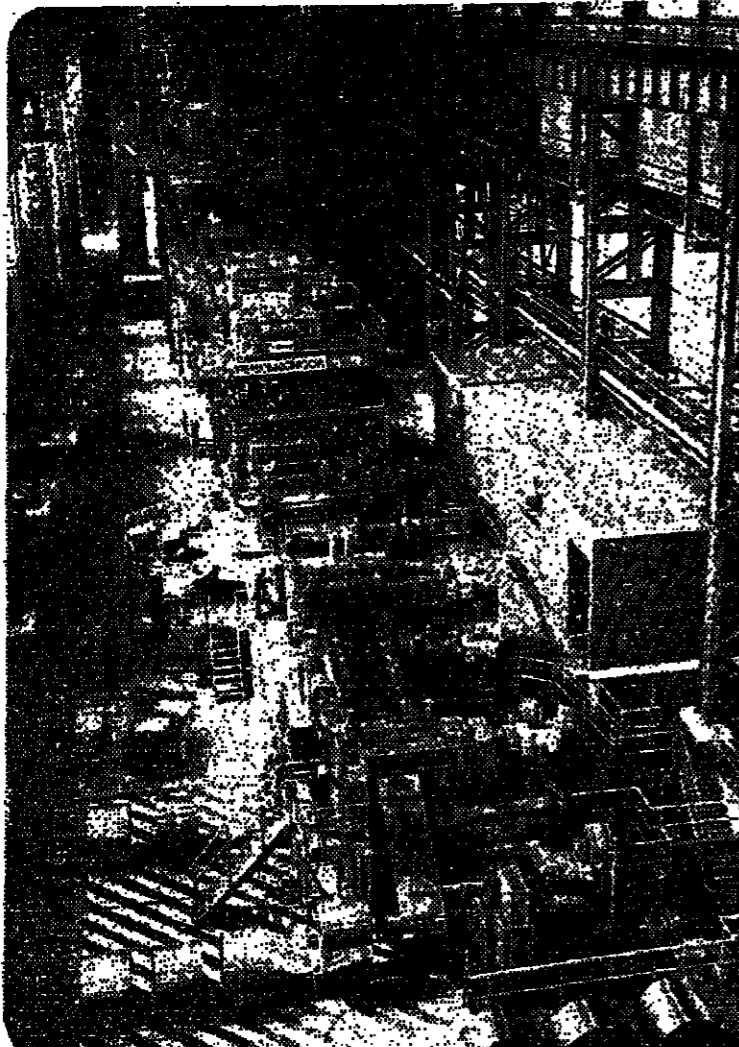
STELVETITE
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film coated
strip

SHOTTON
Deeside, Clwyd

Today marks the official opening of the new £45 million Coatings II Complex at Shotton which more than doubles the work's capacity for coating strip steel to 800,000 tonnes a year, and establishes it as the premier coatings centre in Europe.



The entry end control desk on the No. 5 hot-dipped galvanising line at Shotton.



BSC did it in 3 weeks — thanks to Davy.

New Head Wrightson continuous galvanising line at Shotton commissioned in record time.

The new £14 million No. 5 line is one of the biggest and most modern in the world, with a designed output of 4,750 tonnes of galvanised strip per week. It forms part of Europe's largest steel coating complex and was producing at full capacity just three weeks after commissioning.

In addition to the galvanising line, Head Wrightson also supplied all the pay-off and tension reels for the Color Coat, Zintec and cut-to-length lines.



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Amsterdam exodus brings big market changes

Amsterdam May 17

THE EXODUS from central Amsterdam continues, bringing with it fundamental changes in a property market which in the last few years has become accustomed to wild fluctuations.

A combination of circumstances has brought office development in the city's heart to a standstill, a trend which until now has been cushioned by a huge oversupply of space. Demand however is again rising. With lettable space in the centre hard to find and even internal refurbishment often made difficult by controls many companies are heading for the suburbs.

Amsterdam has always had a planning-development problem with its canals, narrow side streets and cramped buildings—many of which enjoy a measure of protection because of environmental factors. But there is no doubt that the situation has now reached a point which could have serious repercussions for the health of a city which already has severe financial problems.

The latest decision by the "anti car" city fathers to make vehicular access between the new inner ring road and the old docks much more difficult is being greeted as the "kiss of death" for the centre by some and as a long overdue relief by others. It is hardly likely to do the central office market much good though such is the reputation of the main shopping streets

that few retailers expect to be hit.

There will clearly always be a useful office market in the centre with sufficient large companies anxious to maintain at least a presence in the area and numerous smaller ones unwilling to go elsewhere. Just how keen some companies will be to stay in the middle is underlined by the terms of some deals just struck on one of the last new prime office developments in the central area, close to the Rijks museum.

The twin blocks sit on the edge of the new ring road and are one of about six sites once owned by the Philips Pension Fund and sold to Mr. Anneus Brouwer and the Realcredit German bank. The 16,000 sq. m. complex has been pre-let in lots at 350 guilders a sq. m.—as much as 100 guilders above rentals recently achieved for anything other than small packages of prime space.

The development is just around the corner from another of the last prime sites in the centre, situated in Vijzelgracht in the banking quarter. Work is now under way—after a 15-year wait for a building permit.

But for many companies Amsterdam centre is no longer attractive. Agents such as Pierre Reuchlin of Richard Ellis say that, faced with a shortage of modern efficient accommodation they have turned to outlying districts

where curbs on development are less restrictive and modern space is being rapidly provided.

At present the Diemen district is at the centre of a construction mini-boom and has become the agents' darling with many organisations traditionally located in the centre of Amsterdam moving out to take accommodation. The AMRO bank for example is moving there to set up new headquarters.

Apart from the prospects for demand, development activity is being encouraged because freehold purchases are more easily obtainable and more attractive to investors than the 50-year leasehold—indexed ground rent deals often found further in. Land is also generally no more expensive, so rental differentials are not as high as might be expected.

Other large space users, such as the NMB bank are going to places like neighbouring Bijlmermeer—opened up with the construction of a very expensive metro link due to run north to Amsterdam's central station and which so far has reached Waterloo Plein. Some "overspill" locations such as Amsterdam are already virtually full.

Areas such as Diemen are considered to have only five years further expansion available for development going into Dutch property in preference to the foreign markets.

Present yields vary from 5 1/2 per cent to 6 1/2 per cent for cen-

tral modern offices and in some cases even sharper returns have been achieved. The same yields are applicable to prime located shop properties.

● PERHAPS the ultimate in planning delays in a city where such things are considered unavoidable is the story of the prison site close to the Leidseplein, a location which the inmates might not have appreciated but which most developers would readily take on.

Take on, that is if a permit for development was ever forthcoming. After no less than 18 years of discussions, although the prison has only recently fallen empty, the future of the site is still undecided. Final moves look as far away as ever.

The municipality wants to turn the area into an arts-recreational centre with theatres and restaurants and to include subsidised housing. A plan to lease the land to build five towers of interconnected flats and offices has been put forward by Bouwes-Wilma, a joint financing-contracting consortium being advised by Richard Ellis but reaction has been distinctly cool.

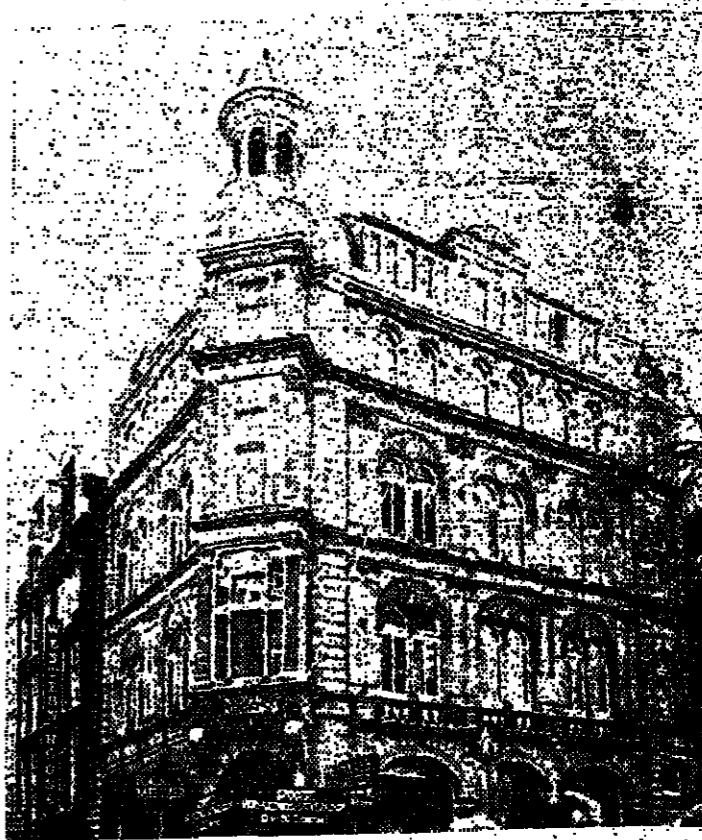
The chance that the city, whose coffers are somewhat less than bursting, may be forced by the State to consider such a potentially rewarding deal is seen as the only way that the

plan may be allowed to go ahead.

● IT MAY have been a long hard struggle but after six years the last of the space is now being taken up in the Riverstate Hammerson-Boz office block which once looked like the biggest white elephant of all. Built in the early 1970s as the ultimate in modern luxury office accommodation in the then somewhat less fashionable Amstel district of Amsterdam, Riverstate represented a joint investment by Hammerson and Boz, the property development subsidiary of Holland's largest insurance group.

The building—known by locals as Apenrots (monkey rock) came on the market in 1973, offering 27,000 square metres of space and failed to excite potential clients who may have been impressed with its facilities but who were not prepared to pay the asking price for accommodation in such a questionable location.

Now, however, letting agents Jones Lang Wootton say the shortage of office space in Amsterdam and rising rents have helped to fill the building, which enjoys the company of such prestigious neighbours as Delta Lloyd, the Commercial Union subsidiary with a new headquarters just across the Amstel river. The last big letting, to American Express, was signed three weeks ago.



The Singer and Friedlander European Property Trust, a consortium of major UK pension funds, has acquired a shop investment in Amsterdam's main shopping street for about £1.2m, providing a net yield of about 6 per cent.

The property, 153 Kalverstraat, has been let for ten years to a subsidiary of the Wallis Fashion Group—which bought the store, and the deal was then refinanced—providing the chain with its first outlet in Holland. It has a retail area of about 3,700 square feet.

The trust's other properties in Holland include two shops in Eindhoven and an office building in Herengracht, Amsterdam, which is now being refurbished and which has been pre-let to the Amsterdam-Rotterdam Bank. Allsup represented the trust while Edward Erdman advised Wallis and Bolle en Compagnons represented original vendors, Focke and Meltzer.

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APPOINTMENTS

Sir Henry Plumb to join Lloyds Bank

SIR HENRY PLUMB has been appointed a member of the boards of LLOYDS BANK and LLOYDS BANK UK MANAGEMENT LIMITED from June 1. Sir Henry, who is a Deputy Lieutenant of Warwickshire, is past president of the National Farmers' Union and was formerly chairman of the British Agricultural Council. He recently became a non-executive director of United Biscuits (Holdings).

Mr. Flan O. Melland has been appointed chairman and Mr. Michael Culyer, managing director, of GEISCO, the UK subsidiary of the General Electric Information Services Company. Mr. Melland was previously managing director of Storno and Mr. Culyer was with Honeywell.

Mr. George Bell and Mr. Trevor Thomas have been appointed financial and commercial directors, respectively, of ADVANCE PLASTIC PRODUCTS, a subsidiary of Great Exports.

Mr. Richard Sherras and Mr. Irvine Siffkin have been appointed directors of CLUB 24, the joint subsidiary of Hepworths and Forward Trust. Mr. Sherras is general manager of CLUB 24 and Mr. Siffkin is chief internal auditor of Forward Trust, which is the instalment finance subsidiary of Midland Bank.

Mr. P. E. Hunter-Jones is being admitted to the partnership of VIVIAN GRAY AND CO., stockbrokers, from May 21.

Mr. Richard H. White, a vice president of the FIRST NATIONAL BANK OF IRELAND, has been appointed manager of the London branch.

Mr. Hugh Carey has been appointed managing director of MANTOWOC (UK).

The underwriting arm of insurance company ALEXANDER HOWDEN has appointed Mr. G. K. Knight as underwriter to marine syndicates 944/945/949/171, following the resignation of Mr. Keith Rust. This is to effect from June 1, 1979. Mr. Knight is to continue to underwrite for marine syndicates 831/832.

Mr. Rust is to form an underwriting managing agency with another ex-underwriter of the Alexander Howden Group, Mr. Patrick Sall. The former chairman of Lloyd's, Sir Havelock Hudson, is taking a part-time directorship in the new company.

Mr. L. R. E. Appleton has been made non-executive chairman of BRITISH MANUFACTURE AND RESEARCH COMPANY in succession to General P. L. Burckhardt. Major General D. E. Isles has been appointed to the Board, taking over Mr. Appleton's responsibilities as head of the Military Product Line.

Mr. M. C. Bolton has been appointed chairman of E. FERTLEMAN AND SONS following the resignation of Mr. L. M. Fertleman as chairman and managing director. Mr. Bolton remains on the Board and will concentrate upon the future development of the company and its products. Mr. P. G. Aylton has been elected managing director.

Mr. Ivan K. Soll was appointed a director of MITCHELL COTTS GROUP. He is managing director of Mitchell Cotts Limited, Johannesburg, embracing all Mitchell Cotts activities in Southern Africa.

Mr. D. Hanson and Mr. P. Hardy have been appointed joint chief executives of the ILLINGWORTH MORRIS GROUP. The responsibilities previously attributable to the operations executive will now be undertaken by the chairman, Mr. I. C. Hill, and the joint chief executives. From the same date the worsted manufacturing, merchandising and clothing divisions and the woolen and cotton division will be merged into one division under the chairmanship of Mr. Hardy.

Mr. T. W. Buckland and Mr. W. T. Seward will be taken into partnership with PHILLIPS AND DREW, stockbrokers, on June 1.

TRUST HOUSES FORTE has made the following senior appointments: Mr. Dennis Hearn to be operations director, working closely with Mr. Eric Hartwell, group chief executive. Mr. Hearn will be succeeded as managing director, Trust Houses Forte Hotels by Mr. D. Leach and Mr. G. Pecorelli, as joint managing directors. Mr. Leach is at present managing director of the UK and Ireland division of Trust Houses Forte Hotels and Mr. Pecorelli is managing director of the London and international division of TRF Hotels.

Mr. Philip Laycock has been appointed sales and marketing director of HILLS (PATENTS). Formerly the company's sales manager, Mr. Laycock is the present chairman of the Number Plate Manufacturers' Association.

Mr. Norman Hamuel has joined the MANAGEMENT RECRUITMENT AND EXECUTIVE SEARCH CONSULTANTS, SECTION THOMSON, to run its London office. He was until recently personnel director of the Spur Group of food companies in the UK.

Mr. Brian Baker, managing director, Anchor Vending Services, Bromford, a member of the Anchor Group, has been elected chairman of the AUTOMATIC VENDING ASSOCIATION of Britain for 1979-80. Mr. Harry Trenbult of Polyvend, Harrogate, has been re-elected treasurer of the association for a further year.

Mr. Cedric Brown, assistant director of operations at BRITISH GAS headquarters, has been appointed director (construction) in the production and supply division.

Mr. Edward Buret, a director of Brook Street Bureau, has been elected chairman of the FEDERATION OF PERSONNEL SERVICES.

Mr. J. D. Mansford has been appointed director, metal procurement, for IRI, while Mr. J. B. Devlin has become manager—metal procurement. Mr. J. F. Tye has been made manager, IRI contracts department, responsible for negotiating contracts for the purchase of major selected items on behalf of all IRI companies.

Mr. J. B. Sherriff and Mr. A. K. Woods will join the board of COUNTY BANK on July 1. Mr. D. M. Canada, Mr. A. J. Hennessey-Brown and Mr. R. C. King are appointed assistant directors from the same date. Mr. A. R. Deacon is to resign from the board on June 30 to become chief executive of an industrial investment company jointly formed by him together with Mr. P. C. Harris and Mr. H. R. Sykes, respectively chairman and deputy chairman of HARRIS QUEENSWAY GROUP.

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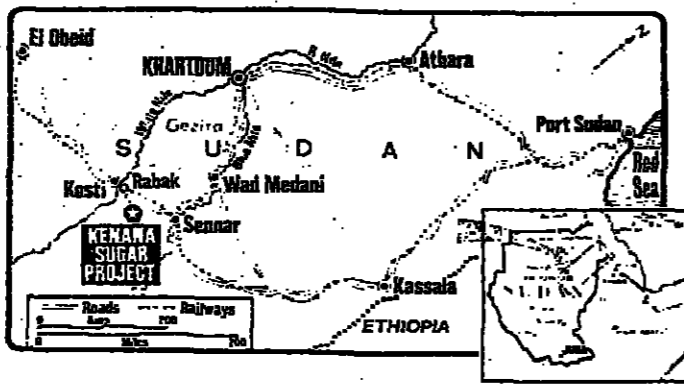
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

James Buxton explains why a cloud now hangs over the once splendid dream of Kenana - one of the biggest sugar complexes in the world

Sudan's bitter-sweet sugar mill

AT THE END of this year one of the world's biggest sugar complexes, the Kenana scheme in Sudan, is due to start operating. Conceived and initially managed by the British conglomerate Lonrho, it will help transform Sudan from sugar importer to exporter. But it is being completed nearly two years behind schedule, at more than five times the original cost estimate. The tale of Kenana is one of successive delays, cost increases, financial crises and Herculean efforts to overcome immense physical difficulties.



KFTCIC officials have since said that they did so because they did not think Lonrho was managing the project properly: they say it drew up a bad feasibility study, that it did not put together a firm financial package before going ahead and that it should have appointed one single concern as construction manager to handle all aspects of construction, instead of concluding agreements with a variety of companies and consultants.

Lonrho has always rejected any suggestion of bad management and says that it lost the contract because KFTCIC insisted that its projects be managed by a Kuwaiti or a national of the country they were in.

well over twice that of any other plant in Sudan. If Kenana sells to the Arabian market (as originally intended) it can hardly expect more than the world price, currently around £95 per ton (the Kenana feasibility study said that an average price of £154 over the next 20 years was "a reasonable working assumption," but this is now about the breakeven point at the world's most efficient cane plants).

But the first 150,000 tons of Kenana's annual output will not be exported but will go to the Sudan government to be paid for in local currency on a potentially advantageous cost plus price formula, according to an agreement with Lonrho of 1972. Kenana currently expects to produce about 160,000 tons in the 1979-80 season, then go up to 279,000 tons the following season and reach 351,000 in the 1981-82 season.

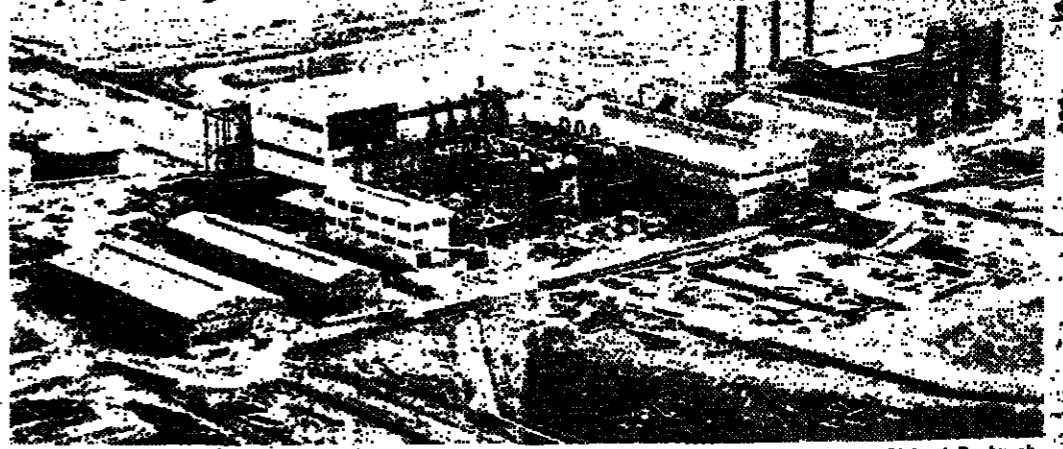
It will thus be nearly two years before Kenana exports on any scale, and it still has time to solve the enormous problem of getting the refined sugar away: it is estimated that it will need one and a half trains a day.

Fulfilled

In at least one respect Kenana has more than fulfilled its original promise: cane grown on the estate yielded above expectations and agricultural costs are lower than expected because of the introduction of long furrow irrigation. In spearheading this and other innovations in Sudan, Kenana is likely to become the technical leader of the country's sugar industry.

But first Kenana must be brought into production. After coming close to signing a commissioning and management contract for the factory with a combined team from Tate and Lyle and the Egyptian state sugar concern, Kenana has decided to recruit its own management team. In the sugar world this is certainly a controversial step, but a recruitment task which once looked very hard has been eased by the collapse of a number of sugar projects has put sugar factory technicians and agricultural managers onto the market.

So the basic Kenana team of Sudanese, Americans, British, other Europeans and Southern Africans is likely to be boosted by infusions from Egypt, Morocco, South Korea, India, Pakistan and elsewhere. Kenana will not, therefore, be a "colonial concept" but it remains to be seen how it will function with such a polyglot staff.



The Kenana sugar factory in Sudan showing (left to right) the boilers, refinery, the mill building where cane is crushed, and the power station.

A catalogue of setbacks

APART FROM world inflation, there are three basic reasons for the spiral of cost increases and delays that have distorted the economics of Kenana. The first is Sudan's very weak infrastructure. The site is about 700 miles from Port Sudan on the Red Sea and is connected to it by a narrow-gauge railway that has a continuous hard-surface road; one will be complete only next year.

The second basic reason for higher costs and delays has been in the factory complex itself. Lonrho could not obtain the backing of ECDC or Eximbank on the contract for the supply of the factory equipment from Britain or the U.S. (ECDC was already heavily committed to Sudan while the U.S. was on bad terms with Sudan at the time).

Instead, the company was effectively confined to France for supply because the French credit agency, Coface, was prepared to back it. Kenana therefore signed a contract with state-owned concern Technip, which was skilled in petrochemical engineering but had never built a sugar factory before (its bid had previously been rejected because it was far above the others).

Contract

Technip's contract, worth \$107.5m, covers the detailed engineering, the supply of the majority of the sugar processing equipment and the provision of on-site supervision. But apart from not covering the boilers and power generating equipment (which are supplied by Nissho Iwai) the Technip contract left Kenana to arrange for the civil work on the site, the erection of the factory, the transport of the equipment to the site and the commissioning of the plant, whose total cost is now about \$275m.

This diffuse method of implementation has caused technical as well as linguistic communication problems, since the French technical drawings use a completely different principle to that which the U.S. consul-

tants, Arkel, and the British erectors, Capper Neill are accustomed to. Many people in the sugar world consider the design far too elaborate for what it is supposed to do, with more gauges of pipe than they would consider necessary and with piping elegantly but expensively bent to fit the contours of the building. One of the two sugar crushing trains is virtually complete but installation of electrical wiring and instrumentation, the supply of which is Technip's responsibility, is well behind the rest of the factory - a major factor in the further delay to the scheme.

The third basic problem has been that, because of the repeated increases in costs, Kenana again and again had to seek more capital and, in two cases, new shareholders. There has probably never been a time when the full financing needed to cover the current estimated capital costs of the project has been assured.

One of the first shareholders to come in, the Arab Investment Company, insisted that any purchase of \$50,000 or more by Kenana be passed by the shareholders' executive committee. Such a sum does not go very far in Sudan nowadays. During 1978 alone there were no less than 22 executive committee meetings.

Once the implementation of Kenana got underway the practical problems inherent in the triangular structure - Lonrho, the investors, Sudan itself - became apparent. But even after it was clear that the scheme was to cost several times more than had been anticipated, the scale of what had already been accomplished meant that there was little sense in not completing the project in its entirety, though the financial penalties of delay and error are so big.

Drain

Yet without a decisive improvement in world sugar prices Kenana's profitability is very much in doubt; the cost of operating it could become a big financial drain.

The clouded future of what was once a splendid dream is depressing, not just because so much of Sudan's recent development effort has been devoted to Kenana, but because it was once seen as a shining example of a Third World "triangular" development project - combining the Western technical expertise of Lonrho, the oil money of the Arabian peninsula and the natural resources of an African country - Sudan.

One of the key problems has been the uneasy relationship that developed between the Arabian shareholders and Lonrho over the exact role the Western manager should play in the project. In the event, the shareholders, dissatisfied with Lonrho's performance, removed it from the management of Kenana in May 1977 and replaced the Lonrho-appointed managing director with a

Sudanese. Once in operation, Kenana is to be run by personnel selected piecemeal by the company rather than under a management contract with a single operator.

Kenana is one of the two or three biggest sugar complexes designed as a single unit in the world. The feasibility study which Lonrho presented to the Sudanese government in April 1973 outlined a scheme for an 80,000-acre estate watered by pumped irrigation and producing 300,000 to 350,000 tons of refined sugar a year. The project cost was put at \$113m. It was suggested then that the plant might be only the first of several in the area which might eventually produce a joint total of a million tons of sugar a year.

Sudan decided to go ahead with Kenana at the end of 1974 with Lonrho to manage it, both during and after its implementation. Lonrho had considerable experience both of Africa and of sugar, but until then Mr. "Tiny" Rowland, Lonrho's managing director, had not fulfilled his ambition to manage a very large project, and challenge the big African operators like Union Minière and Anglo-American.

Yet most people now concerned with Kenana believe that it should never have been started on its present scale because this magnified the problems and made it disproportionately dependent on Sudan's slender transport system. Lonrho's feasibility study recognised that the infrastructure was weak, but its view on how soon it would be improved has turned out to be very optimistic.

But in 1974 tests at the Kenana site had produced good results and much encouragement was drawn from the

fact that the world sugar price was then near an all-time high of £650 per ton, while there was talk of the need for an extra 10m tons of refined sugar on world markets.

Mainly because of the 1973/74 oil price rise the capital cost of the project was more than doubled to \$250m when the Kenana Sugar Company was incorporated in early 1975.

The shareholders were the Sudan government and the state-owned Sudan Development Corporation with 61 per cent, the multi-state Arab Investment Company with 17 per cent, Lonrho with 12 per cent, Gulf Fisheries (the private Kuwaiti company which had recently taken a big stake in Lonrho) with 5 per cent, and the Japanese concern Nissho Iwai, which was to supply some of the equipment, also with 5 per cent.

But the Kuwait government, which Lonrho wanted as a shareholder, refused at that stage to come in, because it considered that the project, as presented by Lonrho, was not viable.

More finance

But by the end of 1975, when the major factory contract had gone to the French concern Technip and an important construction contract to Sir Alfred McAlpine and Son A.G., it was clear that more finance would be needed. The Kuwait government finally became a shareholder "because it wanted to help Sudan," as one Kuwaiti official has since put it.

Kuwait, represented by the Kuwait Foreign Trading, Contracting and Investment Company (KFTCIC), took a 23 per cent stake in the restructured company - but also brought in the U.S. sugar consultants Alexander and Baldwin to assess the project. Their report was critical of Lonrho.

By the time the foundation stone of the factory was laid in November 1976 the cost of the scheme was put by Kenana (and endorsed by Alexander and Baldwin) at \$465m - a further increase of 86 per cent, and the completion date had slipped from February to late November 1978. Kenana was short of more than \$200m and a further financial restructuring was needed.

The shareholders decided to increase the capital from \$100m to \$160m, raise their lending by an equivalent amount and seek cheap loans from Arab aid funds to cover much of the infrastructure. Kenana had to install, thereby reducing the financing costs. The restructuring was finally agreed at a board meeting in May 1977 - but KFTCIC insisted at the same time on Lonrho's being removed from the management of the scheme.

Since the October 1976 estimate the cost has inevitably risen further and is not far short of \$600m, a figure which does not include all the financing and debt service costs likely to be incurred before the plant starts earning revenue. Last autumn the capital was increased by a further \$29.75m with the Saudi Arabian government taking a \$29m stake (and committing a similar amount as a loan) while Lonrho bought an extra 750,000 worth of shares, so that it now has a 3.4 per cent stake in the paid-up capital of \$183.75m. Last autumn it resumed its place on the executive committee of the shareholders.

The eventual profitability of Kenana depends on two factors: the world sugar price and the efficiency of the plant. The capital cost of a ton of sugar from Kenana is likely to be

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Table with 2 columns: 1978 and 1977. Rows include Turnover up 15.3% to £2000, Pre-tax profits down 5% to 3,389, Net profit after tax attributable to Ordinary Shareholders 1,582, Earnings per Ordinary Share 17.10p, Dividend per Ordinary Share inclusive of tax credit 9.19p.

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COMPANY NOTICE

LONDON BRICK COMPANY LIMITED. NOTICE IS HEREBY GIVEN that: 1. The Transfer Books and Register of Preference Stock will be closed on 18th June, 1979. 2. The Transfer Books of the 14% Convertible Unsecured Loan Stock will be closed on 18th June, 1979, for the registration of transfers of shares payable on 15th July, 1979.

ANNOUNCEMENT

SWEDISH CITIZENS. The Swedish Parliamentary Election will take place on September 16, 1979. All Swedish citizens over 18, who have at any time been registered in Sweden, are entitled to vote provided they register with the competent Swedish authority before June 1, 1979.

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LOMBARD

The European disease

BY GEOFFREY OWEN

IF THERE is one European industry which ought to be able to hold its own against competition from the U.S., Japan or anywhere else, it is chemicals. There has never been any doubt about the technological skills of the big three German companies, the Swiss pharmaceutical producers Britain's ICI and a good many more.

Buy-back deals

Given their long-established competitive strengths, why are the European chemical companies so gloomy about the future? There are some specific sources of anxiety on which they are looking to Brussels or national governments for help. These include the flow of low-priced imports from Eastern Europe, sometimes arising from buy-back deals negotiated by the European contractors which put up the plants.

More serious, perhaps, is the threat from the U.S. The Americans have substantially lower feedstock costs—an advantage which is likely to persist for some time despite President Carter's moves to de-regulate oil and gas prices.

Yet there is a more fundamental weakness which the chemical industry is beginning to share with more obviously struggling sectors like steel and shipbuilding. The chemical producers, having enjoyed high growth rates in the period up to 1973, are trying to come to terms with sluggish demand, rising raw material costs and fierce competition. There is intense pressure to keep margins down, to close down or sell off unprofitable businesses and to switch investment away from commodity towards high-value chemicals.

Adjustment is the order of the day, but are companies and governments prepared to face up to it? Last year Union Carbide sold most of its European chemical operations to British Petroleum and last week Monsanto announced the closure of its nylon fibre operations, with

the loss of over 2,000 jobs. But these are American companies which are not as directly in the political firing line as their European rivals. One can imagine the storm of protest which would arise if, say, ICI in Britain or Rhone-Poulenc in France decided to sell their fibre business to an American company.

If one of the big European companies gets into serious trouble in one of its major lines of business, it is becoming more and more normal for the national government to step in with offers of assistance. Government-subsidised competition appears in its most extreme form in Italy, but the habit is spreading. Even if governments keep out, companies planning large-scale rationalisation face the prospect of long battles with employees, unions and local community leaders which could well overtake other parts of their business.

It is hardly surprising that managers are losing their appetite for this sort of hassle. They will be pilloried as heartless capitalists. The amount of benefit which they personally or their companies will derive from a successful rationalisation scheme is limited by government policies. This is surely one of the factors—though there are many others—behind the surge of investment by European chemical companies in the U.S.

Brutal

In a recent issue of Business Week there is an account of how White Consolidated Industries acquired a number of failing domestic appliance companies—the latest is Frigidaire, bought from General Motors—and restored them to health through drastic cost-cutting, large reductions in manpower and a willingness to withstand strikes to get its way. It is brutal, but it works. In Europe that might be regarded as the old-fashioned and unacceptable face of capitalism. But whatever imperfections are attached to the social responsibilities of business and to the role of government in cushioning the effects of change, there are industrial situations where without surgery the patient will waste away. And the principles advanced in the interests of social harmony then the European disease will infect even the strongest sectors of industry.

GRAVEL-RAISING in the Thames Valley has been the source of sometimes bitter controversy for more years than most people living there can remember. Dotted the river valley from the Surrey town of Walton-on-Thames, past Staines and Runnymede to the Berkshire village of Datchet and beyond, thousands of acres of gravel workings past and present have left a mixed and mostly unwelcome imprint on the landscape and people.

Many of the pits, mainly those nearer London, have already been filled in, mainly with the rubble from London's postwar building boom. Nature, some times with a little help, has taken over at others, producing fisheries and water sports grounds. But scattered throughout the area, too, there are the raw scars of current workings. Each may require up to 20 years before it can be again a usable land. Despite the current slack in the construction industry, continuing development of all types in this densely-populated part of Britain inevitably brings sustained demands for gravel.

Constant conflict results between the industry's legitimate needs and the inhabitants' desire to preserve or restore the countryside. Whatever the rights and wrongs in individual skirmishes, many of the inhabitants have long had both a hearty dislike of the industry. This hostility to gravel-raising in general in part explains the protracted struggle which Ready Mixed Concrete, a group containing the largest

British gravel company, has had to bring to fruition its own novel, ambitious—and potentially profitable—idea of what to do with some of the worked-out pits.

M-Losham for winning return

M-LOSHAM, not seen out since getting the better of Sorbus in the Irish St. Leger, reappears this afternoon in the Aston Park Stakes at Newbury. If I am right in thinking that Ryan Price has him well forward, this colt, the best of his sex to autumn, M-Losham forfeited second place only in the final strides to Le Moss, the pair finishing 1/4 lengths adrift of Julio Marinier. M-Losham, a handsome, lengthy colt who will be ideally suited by today's 13 furlongs on ground likely to be on the soft side of good, can resume where he left off with a clear-cut advantage. For anyone thinking in terms of a forecast, Vital Season, a disappointment at Chester, may be worth another chance. A year ago, Versailles Prince produced a strong finishing burst to land the London Apprentice Stakes and his trainer, Tony Ingham, must be reasonably hopeful that the six-year-old will prove up to making it a double. Versailles Prince, a gelding formerly trained in France, who also took a similar event at Newmarket through a determined late flourish in 1978, got off the mark this time in the Hugh Gorton Apprentice Handicap. Produced a furlong from home on the Rowley Mile,

RACING BY DOMINIC WIGAN

represent Levmo, will be one they all have to beat. Although the Irish St. Leger was M-Losham's most important success in 1978, he ran several other fine races and can probably put up performances of comparable merit in the King George V Stakes at Royal Ascot and in the Doncaster St. Leger. Quickening away from the opposition with the minimum of effort at the Royal Ascot, M-Losham will start the post with four lengths in hand of Valour, who was chased home by Idle Waters and Crismon Beau. Taking on his stiffest task at the season at Doncaster in the

Thorpe Park is the first major product of that decision. A little over 20 miles from London, adjacent to the M3 London-Basingstoke motorway, and a quarter mile from the M3-M25 London orbital motorway intersection, it covers 400 acres of mainly old gravel workings which, Mr. Endors says, could not have been completely filled for a generation. He readily admits that, 10 years ago, the image of the gravel companies was "pretty terrible."

In 1970 RMC applied for the removal of the filling conditions attached to the original gravel consent, and permission to develop a sport and leisure centre instead. Mr. Endors himself did not quite know then what he wanted the end result to be. The theme that emerged was a maritime history of the British people. It is a loosely-knit mix of history and literature, brought to life through reconstructions of, among other things, a Roman port complete with a fortified signal station and a full-scale replica of a Roman galley, a Saxon hall and Viking longships in a Celtic farm of about 500 BC, and a reconstruction of King John's pavilion for the signing of Magna Carta at Runnymede, 5 miles or so downriver.

Mr. Endors, who read English at Oxford, displays a rather unaccountant-like enthusiasm for the project. He is prone to discourse on such issues as how a trireme (an ancient warship) was rowed, or how a Roman wore his sword. The research on behalf of accuracy verges on the obsessive. He recalls going to Naples to check on Roman construction methods to be followed on the Thorpe site. "It transpired that the Romans must have been just about the biggest jerry-builders the world has ever known."

At the centre of the park there is a mushroom-shaped dome housing an auditorium for 1,000 people, with shops, restaurants and bars. No concessions are being let—Leisure Sport plans to retain full control of the complex. There is a re-created French airfield scene, with full-size replicas of the Royal Naval Air Service aircraft which took the Navy into the air during World War I.

Thorpe Park is also a sports site. The British Olympic rowing and canoeing teams train there; the world water ski championships are expected to return to what is now a purpose-built lake with viewing for 60,000 spectators; and there are facilities for wind-surfing and an equestrian area. The commercial side of the venture, Mr. Endors suggests, will be used to subsidise the sporting side. So far, the complex has cost £33m, including firm infrastructure. It seems a very small sum, considering RMC's annual turnover of over £500m, and Leisure Sport hopes that eventually 1m visitors will come every year at admission charges of at present £1.50 for adults and 70p for children. There are hopes to make additions to the site, perhaps including a theatre.

Wringing planning consent from the local authorities—first from the fairly enthusiastic but cautious Surrey County Council and, after the 1974 local government reorganisation, from a rather more suspicious Runnymede District Council—took seven years. The project met heavy local opposition at one stage, questions were raised in the House by a local MP about the "Battersea fun fair" that it was feared might be going up on Thorpe's doorstep. In fact, what Thorpe has actually acquired is much less of a fun-fair than a history lesson. What lesson it might hold for future relations between the gravel companies and the public has yet to be learned.

Mr. Alan Endors, the man behind Thorpe Park, aboard the replica of a Roman warship there.



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ENTERTAINMENT GUIDE

A large, multi-column section containing various entertainment listings. It includes sections for 'OPERAS & BALLET', 'THEATRES', and 'CINEMAS'. Each section lists venues, showtimes, and brief descriptions of the performances. For example, under 'OPERAS & BALLET', it lists 'COLESLIDE' at the Royal Opera House and 'COVENT GARDEN' at the Royal Opera House. Under 'THEATRES', it lists 'KING'S HEAD' at the Kings Head Theatre and 'THE FRENCH WAGNER' at the Kings Head Theatre. Under 'CINEMAS', it lists 'ABC 1 and 2' at ABC 1 and 2 and 'THE LAST OF THE MOHICANS' at the ABC 1 and 2.

A section titled 'TV Radio' containing a list of television and radio programs. It includes the BBC 1 schedule from 6.40-7.55 am (Open University) and 9.30-10.45 am (You and Me), and the BBC 2 schedule from 6.40-7.55 am (Open University) and 9.30-10.45 am (You and Me). It also lists regional news and other programs.

A section titled 'F.T. CROSSWORD PUZZLE No. 3974'. It contains a crossword puzzle grid with numbers indicating the starting positions of the words. The grid is a 13x13 square with some cells filled in black.

A section containing various news snippets and advertisements. It includes a list of crossword clues (e.g., '1 It's right in the main (9)', '2 Men entitled to hospital (5)') and a list of 'DOWN' clues (e.g., '1 Rival factions coming second on March 15 (5)', '2 A very quiet London suburb may be attractive (9)').

UK COMPANY NEWS

Redman Heenan improves 32% at six months Amos Hinton falls £0.4m but expecting upturn Wigfall short on forecast

FOLLOWING THE record £2.81m profit for the year ended September 30, 1978, Redman Heenan International, the specialised engineering group, continued to move ahead in the first six months of the current year, with a 32 per cent increase in pre-tax profits from £922,000 to £1.19m.

Turnover jumped 61 per cent to £24.23m, but the directors explain that £6m of this was in respect of long term contracts which made no contribution to profits. In the previous year, turnover totalled £34.27m.

The directors report that the rate of order intake has remained reasonably encouraging during the first half and full year results are expected to show a further useful advance over the previous year.

Half-yearly trading profits climbed 28 per cent to £1.23m, before interest charges of £22,000 (£47,000). After tax of £358,000 (£236,000) net profits increased from £68,000 to £173,000.

In line with the increase forecast at the time of the recent rights issue, the interim dividend is stepped up from 1.00p to 2p net per 10p share on increased capital payments totalling 4p have been projected for the current year compared with 2.027p in 1977-78.

The ordinary dividend absorbs £372,000 (£150,000)

comment Stripping out the £5m in turnover which contributed to the profit, the underlying sales growth was

31.6 per cent at Redman Heenan International, so margins have improved by half a point to 8.5 per cent at the pre-tax level. It is encouraging that very little of this increase was attributable to loss reduction. The £5m was contributed by the former loss-maker, Heenan Environmental Systems, and losses on these contracts have already been written off. The company is scarcely obtaining any tax relief on losses now, however, so the charge is rising steadily and holding down the net earnings figure. The stated charge for the first-half was 30 per cent, still fairly low because of relief on around £2.5m of expenditure foreseen for this year. Pre-tax profits for the year could well rise to around £3.2m which, at 75p, puts the shares on a prospective p/e of 6.1, on the basis of a 30 per cent tax charge. On a fully-taxed basis the rating is 8.9.

Dhamai Hldgs. accounts delay

The Board of Dhamai Holdings says that because of the usual difficulty in obtaining information from Bangladesh publication of the 1978 accounts will be delayed to July or August.

It anticipates that the year's total income will be similar to that of 1977, but with lower expenses. It believes the consolidated results will show a profit.

All bills of exchange receivable to date in Bangladesh have been met. The directors are pressing their overseas agents to send the remittance to the UK of at least part of the overseas funds.

Bangladesh tax demands have to some extent been modified but the Board is still far from an agreement.

Industrial & General up 19.2%

A RISE of 19.2 per cent in revenue, from £3.97m to £4.74m, after tax of £2.65m, against £2.33m, is reported by Industrial & General Trust for the year to March 31, 1979. Gross income for the company, which is a member of Touche, Remnant Management Group, was 9.4 per cent ahead at £9.66m.

Stated earnings per 25p share improved to 2.1p (1.85p) and a net final dividend of 1.45p lifts the total by 22.9 per cent to 2.15p (1.75p).

Year end total net assets amounted to £204.2m (£198m) including equivalent to 84.4p (87.5p) per share with prior charges and par and including 3.7p (5.3p) investment currency premium. The capital gains tax element at this valuation is put at 4.3p (3p).

TAXABLE profits of Amos Hinton and Sons, the food and drinks group, were below expectations for the year to March 3, 1979.

The surplus fell from a record £1.73m to £1.36m on turnover ahead from £61.06m to £65.34m. The figures reflect the introduction of the new distribution systems, and include the costs of starting up the Canny discount stores.

At midway pre-tax profits were also down—from £988,000 to £832,000. The directors then said the downturn was due to the price war and the distribution system changes.

However, the Board now says that the company development plan should produce substantial benefits this year.

The tax charge is down from £908,000 to £219,000 and stated earnings per share are up from 15.06p to 18.82p. The net final dividend of 1.634p lifts the total from 2.9944p to 3.2241p.

The attributable figure is up from £702,000 to £893,000 after a fall in extraordinary debits from £126,000 to £48,000.

comment Amos Hinton is clearly one of the casualties of the supermarket price war although the group's problems have been exacerbated by major changes in the group's distribution systems. Supermarket sales for the full year showed only a 5 per cent increase, reflecting a worrying volume shortfall and profits slipped by fifth to £1.35m, while three more supermarkets

were closed than opened during the period. Elsewhere, teething problems and January's lorry drivers' strike resulted in a £55,000 loss for the new Canny operation but this was offset by a £60,000 contribution from off-licences, thanks mainly to acquisitions and new openings.

In the current year Hinton should have sorted out its distribution problems but it is still early days to judge whether it can, like other supermarkets, start improving margins. The low tax charge puts the p/e at 5.5 while the yield is 4.7 per cent at 105p.

Increase by Bank of Ireland

AFTER REPORTING unchanged mid-year profits of £20.41m, Bank of Ireland ended the March 31, 1979, year with taxable surplus ahead from £42.85m to a record £46.91m.

At the interim stage, the directors explained that due to changes in trading pattern, second half results were expected to show a considerable improvement.

Earnings per £1 share for the year are shown down from 74.2p to 69.9p basic, but up from 67.8p to 69.1p diluted. The dividend total is lifted to 17.5p (15p) net, with a final of 11p.

A professional revaluation of the group's properties has resulted in a surplus of £10.28m.

Tax took £17.48m (£17.03m) and attributable profits were up from £23.52m to £29.04m. The balance retained emerged at £21.5m, against £20.15m.

C. Walker improves to £0.77m

Despite nationwide industrial unrest and severe weather in the final quarter, taxable profits of C. and W. Walker Holdings improved from £735,151 to £771,135 in the 53 weeks to February 3, 1979. Turnover moved ahead from £6.1m in the previous weeks to £7.2m.

Mr. George Lewis, chairman, says this year began with renewed vigour, and the recent acquisition of Lakers (Northern) and the capital spending programme of the past three years, "should ensure continued growth."

After tax reduced from £270,199 to £232,098, net profit rose from £464,952 to £539,037. A final dividend of 3.85p net per 25p share lifts the total from 6p to 6.6p, as forecast at midway. There is also a five-for-four scrip. Earnings per share are shown to have risen from 28.89p to 30.2p.

Henry Wigfall, the TV and electrical rental and retail group, will fall slightly short of its profit predictions for the full year, as a result of the lorry drivers' dispute, the Price Commission's criticisms and interest rate levels.

However, Mr. Frank Morrell, the chairman, said yesterday that with the final figures not yet complete he hopes the total will be "not too far off" the prediction of materially higher profits made at the interim stage. City expectations had been for about £1.9m pre-tax.

The shares did not react to the news and closed at 267p unchanged.

Business was generally up at the present, Mr. Morrell said, particularly on the white goods rental side. The company intends to expand its chain of TV rental shops and also its fashion chain in the north.

Johnson Cleaners starts well

Trading so far this year at Johnson Group Cleaners had been very satisfactory, and at the end of the March quarter profits were ahead of the previous year and this trend was continuing, Mr. John Crockett, the chairman, said at the annual meeting. The severe weather in January

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in fact paid or not. The dates shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes companies like BOC, Dundee and London, and others.

adversely affected the cleaning side, but this forecast against the directors' forecasts was made good by the end of the quarter. The continuing expansion of the textile rental division has added to group profitability, he reported.

Advertisement for VIKING RESOURCES INTERNATIONAL N.V. with contact information for INFO Plerson, Haarleming 214, Amsterdam.

INVESTMENT TRUSTS: net asset values

Large table listing various investment trusts with columns for Company Name, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value (at nominal and at market), Investment Currency Premium, and Total Assets less current liabilities. Includes sub-sections for VALUATION MONTHLY and VALUATION THREE-MONTHLY.

AMENDMENTS to table published 27th April, 1979: Valuation monthly: Atlantic Assets Trust Col. 7 should read 160.2. Valuation Three-Monthly: Yeoman Investment Trust Cols. 6 and 7 should read 283.6 and 288.9 respectively.

* Applies to Ordinary "A" Ordinary only. 1 Company (b) Cols. 1, 6, 7 All revenue account items are excluded. (f) Cols. 6-7 Prior charges are deemed to include preference share capital. (g) Col. 8 The amount per share/stock unit represented by 100 per cent of the investment currency premium applied in calculating the valuation for Cols. 1, 6 and 7. (h) Cols. 6-8 Convertible loan/preference stocks are treated in the same way which are shown the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a charge is marked with a * as prior charge, warrants or subscription rights are treated as unexercised.

Advertisement for 'The Investment Trust Year Book 1979' published by the Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ.

Companies and Markets

UK COMPANY NEWS

TKM to offset loss of German car concession

The withdrawal of the BMW car import concession in the UK next year will mean a substantial loss of revenue for Tower Kemsley and Millbourn. However, the group will make up this cut in income from other activities, says Mr. Kenneth Thorogood the TKM chairman.

Matthew Brown progress

WITH BEER sales up overall Matthew Brown and Co. lifted taxable profits from £1.33m to £1.54m in the half-year to March 31, 1979.

The exclusion of Easter from the reporting period, the normal second half upswing should be more pronounced than usual this year and a pre-tax result of over £4m looks within range.

Promising prospects for Delta

THE OUTLOOK for Delta Metal this year is promising, Lord Caldecote, the chairman, told the annual meeting yesterday, but it would be unwise to elaborate further on prospects beyond the general outline in the annual report.

Higgs & Hill outlook mixed

ALTHOUGH AN increasing profit contribution is expected from property and housebuilding by Higgs and Hill in 1979 the turnover in UK construction may be lower.

Pye in strong position

DESPITE difficult trading conditions last year, the Pye group, electronics and communications specialist, maintained its financial position and entered 1979 with a strong balance sheet and good liquidity, the directors say in their annual report.

Aurora Holdings Limited

Chairman's oral comments at the AGM on Thursday, 17th May 1979 at Sheffield.

We, like many others, suffered in the first two months of 1979 owing to the Road Haulage strike and the extreme weather conditions. By hard work at all levels we have achieved an excellent recovery, March and April being the best trading months in the Group's history.

I referred briefly also to the worldwide problems of the Special Steels industry in which some Osborn companies are involved. Whilst I do not seek to minimise these problems, shareholders will be reassured to know that the performance of our subsidiaries in this industry is benefiting considerably from the re-direction we have imposed.

In my Chairman's Statement in the Report and Accounts I stated that the Osborn companies were now fully integrated into the Aurora Group. This was a demanding task which has been rapidly and successfully accomplished through the hard work and enthusiasm of my colleagues, both old and new.

The Group in its present form is now firmly established and our growing strength points to the exciting prospects that lie before us.

Subject to no unforeseen circumstances and looking at the current financial year overall, we are confident that we shall make further substantial progress in the Group's development.

Robert Atkinson Chairman

17th May 1979

Aurora Holdings Limited, Nether Lane, Ecclesfield, Sheffield S30 3TR

Receiver for Andre Peters

Andre Peters Originals, uniform suppliers to British Airways, which has debts of about £300,000, has been placed in the hands of a Receiver.

comment

The interim figures from Matthew Brown are slightly disrupted by profits on property disposals and a swing round to interest receivable, but the underlying trend is healthy with trading profits up 14.8 per cent and margins showing a slight improvement.

Nthn. American Trust ahead

After tax revenue of Northern American Trust Company advanced from £448,321 to £542,888 in the half year to May 1, 1979. Net asset value per 25p share is up from 131.1p to 152p.

RESULTS AND ACCOUNTS IN BRIEF

S. W. FARMER GROUP (structural steelwork)—Results for 1978, reported March 14 in preliminary statement with prospects. Group fixed assets £2.02m (£2.7m), net current assets £2.7m (£2.12m). Meeting, Bromley Court Hotel, Bromley, Kent, June 8, at noon.

(£1.55m) historical. Group fixed assets £10.33m (£9.8m), net current assets £3.19m (£3.48m). Working capital decreased by £38,000 (£1.1m increase). On April 11, British Industries held 28 per cent of equity and Colwyn Holdings 16.01 per cent.

BANK RETURN

Table with columns: Wednesday May 16 1979, Increase (+) or Decrease (-) for week. Sections: BANKING DEPARTMENT, ASSETS, ISSUE DEPARTMENT.

United Newspapers Profit up 23 per cent

Current trading satisfactory

The Chairman, Lord Barnetson, reports:

I think you can be reasonably satisfied with your Company's performance in 1978. Although trading conditions were difficult, and the last few weeks of the year adversely affected by bad weather, strike action, and interference with our newspaper deliveries, significantly improved contributions came from each of our principal activities - newspapers, periodicals, and commercial printing.



moving into what is called the "new technology" in a systematic and gradual kind of way over the past few years. The gradualness, of course, is important, partly for prudent financial phasing, partly for the maintenance of good labour relations, and partly because scientific innovation is becoming more and more sophisticated all the time.

The profit includes investment income of £448,000, slightly down on 1977, partly because of a drop in average interest rates over the period, and partly because of a reduction in the level of invested cash.

of the market, while profits on their book publishing and mailing services were also ahead of the preceding year.

Against that background, we can now point not only to the new works at Leeds and Northampton, but also to a much wider range of major investment projects in Blackpool, Preston, Sheffield, Bletchley, Luton and elsewhere.

After spending some £4,600,000 on plant and new technology, and on the improvement of working conditions throughout the group, the Company's cash resources at the year end amounted to £4,512,000.

Other Activities Further retail newspapers were acquired during the year, a few of them in Leeds, but most of them in the Sheffield area. We now have 81 outlets of this kind. The shops play a very useful part in the growth of newspaper sales, and especially in the context of home deliveries.

Forward Outlook With the combination of atrocious weather and industrial action, the first few weeks of the current year got off to an indifferent start. Since then trading conditions have reached a satisfactory level, and advertising volume for the first quarter as a whole has moved ahead of the corresponding period of 1978.

As you see your Directors recommend a Final Dividend of 9.23248p net per Share, the maximum permitted uplift. When taken together with the Interim Dividend already paid, this will make a total of 15.60995p for the year, compared with 14.10159p for 1977. At the new rate the Dividend will be just over four times covered.

Printing and Periodicals Magazine publishing and commercial printing contributed £647,000 to group profitability, a considerable improvement over 1977. With a healthy increase both in sales and in advertising, Punch had a record year, and that happy trend continues. The three farming monthlies maintained a firm hold on their respective sectors

Summary of Results Year ended 31st December. Table with columns: 1978, 1977. Rows: Profit before taxation, Profit after taxation, Ordinary dividends, Retained in the Group, Ordinary dividend cover, Earnings per share, *Gross.

Alexander Howden Finance B.V. U.S. \$30,000,000 9 1/2 PER CENT GUARANTEED BONDS 1991 WITH WARRANTS ATTACHED. Alexander Howden Group Limited. J. Henry Schroder Waggs & Co. Limited. Salomon Brothers International.

Newspapers Over 84 per cent of the Company's profit is derived from the newspapers. Here trading turnover rose by £5,212,000 to £43,230,000. The great bulk of this comes from two sources - from advertising revenue and from newspaper sales.

United Newspapers. Moving into what is called the "new technology" in a systematic and gradual kind of way over the past few years. The gradualness, of course, is important, partly for prudent financial phasing, partly for the maintenance of good labour relations, and partly because scientific innovation is becoming more and more sophisticated all the time.

FOOD PRICE MOVEMENTS

Table with columns: Commodity, May 17, Week ago, Month ago. Rows include BACON, BUTTER, CHEESE, EGGS, BEEF, LAMB, PORK, POULTRY.

ENERGY REVIEW: THE TORIES AND THE UK OIL SHORTAGE

Mr. Howell follows in Labour's footsteps

THE LAST time that Mr. David Howell was a Minister at the Department of Energy...



Mr. Howell, Secretary of State for Energy (second from the left) and his team: Mr. Hamish Gray, Minister of State, and Mr. John Moore and Mr. Norman Lamont, Parliamentary Under-Secretaries.

lacks any personal imprint. It has offered few clues to the process...

Most discreet industry lobbying before the election was clearly directed towards Mr. Tom King...

Mr. Howell has been closely identified with Mrs. Thatcher and during the Election campaign assisted in writing many of her speeches...

The only member of the Tories' "shadow" energy team to take a similar role in Government is Hamish Gray...

To look after the coal industry in succession to ex-miner Mr. Alex Eadie, Mrs. Thatcher has chosen Mr. John Moore...

For Mr. Norman Lamont, his post looking after onshore gas, electricity and nuclear power is something of a come-down after serving as Sir Keith Joseph's main assistant on industry in Opposition.

The Directors of Tongaat have approved the publication of the following:

TONGAAT COROGRUP LIMITED

(Formerly Primrose Industrial Holdings Limited) (Incorporated in the Republic of South Africa)

Directors: J. B. Robertson (Chairman), A. R. Kemp (Deputy Chairman and Managing Director), I. D. Britan, D. J. Gevisser, W. M. Grindrod, W. F. Hamilton, A. D. Hankinson, B. M. Medway, D. H. Mitchell, E. C. Rutherford, G. J. J. Steyn.

Registered Office: 397, North Coast Road, Briardene, Durban North 4051

PROFIT AND DIVIDEND ANNOUNCEMENT

Table with columns: Period Ended, 31st March 1979, 30th June 1978. Rows include Group Turnover, Profit before taxation, Taxation, Profit after taxation, Consolidated profit, Extraordinary items, Balance of profit for the year, Earnings per share.

Next week Mr. Howell will be in Paris for the ministerial meeting of the International Energy Agency...

Oil embargo

Faced by the Arab oil embargo, however, crude oil and product supplies were also short. The Government itself was already involved in the process of allocating supplies...

petrol and middle distillates. products such as jet fuel, heating oil and diesel by 15 per cent. Texaco, one of the top five UK oil suppliers has cut petrol supplies to 92 per cent of last year's levels...

Take his time

On other issues of energy policy he is also determined to take his time before launching any new initiatives. Officials at the Department of Energy are still in the dark about the direction in which their new Secretary of State might try to lead them.

one apparently obvious solution to cutting UK oil demand, the burning of more coal in the power stations. And the UK's conservation efforts were virtually left at that.

It's a solution that is already appearing equally attractive to the new Tory Energy Secretary.

It's a solution that is already appearing equally attractive to the new Tory Energy Secretary. Mr. Howell has arrived at the Department of Energy at Millbank as part of a Government pledged to non-intervention. He believes that motorists have already shown common sense in not panicking and rushing to buy up all available petrol supplies...

for fuel oil could actually be to reduce refinery runs of crude oil to make the lighter products. However, Mr. Howell does not wish the Government to be seen as a "busy-body" which will be interfering further in people's lives.

ever, that the review should be completed quickly.

ever, that the review should be completed quickly. He believes that delay and uncertainty could be damaging and is hoping to be able to decide well before the summer recess in August the exact role a State oil company has to play under a Conservative Government. The Government must also decide soon on whether it wishes to follow the path proposed by the Labour Government of raising the rate of reducing the various allowances given by the present oil taxation regime. The final package will be revealed in the Budget next month, but present indications are that the recent rises in crude oil prices will give the Government sufficient pretext to justify a rise in PRT.

Important areas of oil policy such as the taxation regime and rate at which the North Sea oil fields should be depleted will clearly be heavily influenced by decisions taken at the Treasury rather than at the Energy Department. Mr. Howell is clear that the Government's first priority is to exert a tighter control over the UK's finances and to reduce public expenditure. It is from that base that much of his energy policy will have to flow.

He and his three-man energy team are certain to bring a new style to the Department, however.

He and his three-man energy team are certain to bring a new style to the Department, however. Mr. Howell is anxious, however, that the review should be completed quickly. He believes that delay and uncertainty could be damaging and is hoping to be able to decide well before the summer recess in August the exact role a State oil company has to play under a Conservative Government.

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European Banks International

CURRENCIES, MONEY and GOLD

Dollar firm

The dollar was very firm in the foreign exchange market yesterday, reflecting improved sentiment as U.S. economic growth shows signs of slowing.

against the dollar and sterling, but was firmer against most members of the European Monetary System. In terms of the pound, it fell to 98.22p from 98.44p.

The U.S. currency rose to DM1.9125 from DM1.9020 against the D-mark, to SwFr 1.7375 from SwFr 1.7270 against the Swiss franc.

FRANKFURT — The Bundesbank sold \$9.7m when the dollar was fixed at DM 1.8074 against the D-mark, compared with DM 1.8068 previously.

Starting showed little movement most of the day, trading within a general range of \$2.0535 to \$2.0625.

The dollar rose slightly in moderate trading yesterday. It closed at Y215.121 against the yen, compared with Y214.921 previously.

MILAN — Trading was quiet with the dollar firm, while sterling and most members of the European Monetary System lost ground against the lira.

TOKYO — The dollar rose slightly in moderate trading yesterday. It closed at Y215.121 against the yen, compared with Y214.921 previously.

The Irish punt lost ground against the dollar and sterling, but was firmer against most members of the European Monetary System.

changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.40-10.50 per cent; three months 10.45-10.55 per cent; six months 10.55-10.75 per cent; one year 10.75-10.85 per cent.

Long-term Eurodollar deposits: two years 10-10 1/2 per cent; three years 10-10 1/2 per cent; four years 10-10 1/2 per cent; five years 10-10 1/2 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979). Conditions were more relaxed in the London money market yesterday.

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 11-12 per cent; four years 11-12 per cent; five years 12-12 1/2 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from May 1, 1979. Clearing and Deposit Rates for small sums at 9 per cent. Clearing Bank Rates for lending 12 per cent.

Closing balances taken as low as 8 per cent. In the interbank market overnight money opened at 11-12 per cent and eased on the forecast of a surplus to 11-11 1/2 per cent.

all-time high of \$2581-2599 after the morning fixing, but eased slightly in the afternoon. Trading was very active.

In Paris the 12 1/2 kilo gold bar was fixed at \$270.00 per kilo (\$268.02 per ounce) in the afternoon, compared with FFr 37,700 (\$268.19) in the morning and FFr 38,300 (\$270.28) Wednesday afternoon.

In Frankfurt the 12 1/2 kilo bar was fixed at DM15.200 per kilo (\$258.86 per ounce) compared previously with DM15.740 (\$256.86).

THE POUND SPOT AND FORWARD

Table with columns: May 17, Day's spread, Close, One month, 3 months, 6 months. Rows include U.S., Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: May 17, Day's spread, Close, One month, 3 months, 6 months. Rows include U.S., Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland.

CURRENCY RATES

Table with columns: May 16, Rank, Special Drawing Rights, European Currency Unit, May 17, Bank of England, Morgan Guaranty. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, etc.

CURRENCY MOVEMENTS

Table with columns: May 17, Rank, Special Drawing Rights, European Currency Unit, May 17, Bank of England, Morgan Guaranty. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, etc.

OTHER MARKETS

Table with columns: May 17, Rank, Special Drawing Rights, European Currency Unit, May 17, Bank of England, Morgan Guaranty. Rows include Argentina peso, Australia dollar, Brazil cruzeiro, etc.

EXCHANGE CROSS RATES

Table with columns: May 17, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

INTERNATIONAL MONEY MARKET

Dutch rates ease. AMSTERDAM — Interest rates showed an easier tendency yesterday following the introduction of a special loan facility by the authorities.

FRANKFURT — Interbank money rates were unchanged yesterday in the shorter periods, with call money at 5.05-5.15 per cent, one-month money at 5.50-5.60 per cent and three-month money at 5.90-6.00 per cent.

BRUSSELS — Deposit rates for the Belgian franc (commercial) showed hardly any overall change yesterday.

HONG KONG — Conditions in the money market were generally comfortable with call money at 1 1/2 per cent and overnight business dealt at 2 1/2 per cent.

Gold Record close. Gold eased slightly from its highest levels yesterday, but still finished at a record closing level of \$2581-2574, a rise of 8 1/2 on the day.

Gold Bullion (fine ounce) Close \$2581.25, \$2580.00, \$2578.75. Opening \$2581.25, \$2580.00, \$2578.75. Morning \$2581.25, \$2580.00, \$2578.75.

NEW YORK Prime Rate 11.75, Fed Funds 10.25, Treasury Bills (12-week) 9.54, Treasury Bills (28-week) 9.44.

REIFE logo and advertisement for Red Nacional de los Ferrocarriles Espanoles. DM 100,000,000 7% Bonds due 1987. STATE OF SPAIN. WESTDEUTSCHE LANDESBANK GROSZENTRALE, CREDIT COMMERCIAL DE FRANCE, DRESNER BANK, BANCO DE VIZCAYA, CREDIT COMMERCIAL DE FRANCE, DRESNER BANK, SMITH BARNEY HARRIS UPHAM & CO., SWISS BANK CORPORATION (OVERSEAS) Limited.

Régie Nationale des Usines Renault has acquired for \$115,000,000 a minority interest in Mack Trucks, Inc. a subsidiary of The Signal Companies, Inc. The Signal Companies, Inc. LAZARD FRÈRES & Co. May 16, 1979.

Handwritten signature and date: 15/5/79

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

French cement group sees continued improvement

BY DAVID WHITE IN PARIS

LAFARE GROUP, the French cement group, is counting on overseas markets to see it through a market increase in earnings this year after a recovery in 1978 which left consolidated net profit 38 per cent up at FF220m (\$50m).

M. Lecercier, the chairman, told journalists that he foresees a market increase in earnings this year after a recovery in 1978 which left consolidated net profit 38 per cent up at FF220m (\$50m).

The parent company's two principal subsidiaries, Ciments Lafarge France and the 54 per cent-controlled Ciment Canada Lafarge—both had record results. The French offshoot increased its net profit by 74 per cent to FF76m, thanks partly to lower depreciation.

TOKYO CDs Foreign banks cautious as Japanese go ahead

By Richard C. Hanson in Tokyo HIGH ACTIVITY on the part of the Japanese commercial and investment banks in the issuing of yen Certificates of Deposit, which opened this week, contrasts sharply with the cautious approach adopted by foreign banks in Tokyo.

Bond makes plea to Santos holders

BY JAMES FORTH IN SYDNEY

MR. ALAN BOND, a Western Australian businessman, is attempting to put public pressure upon the South Australian State Government to persuade it to drop a proposal to limit individual shareholdings in Santos, the oil exploration company, to a maximum of 15 per cent of the capital.

time legislation may have been enacted. Mr. Bond yesterday criticised other Santos directors for what he claimed was a "deliberate delay" in calling the meeting. He said there had always been a split in the Board between the Bond and non-Bond directors.

Dorbyl shows slight half year advance

BY JIM JONES IN JOHANNESBURG

DORBYL, THE South African heavy engineering group, has reported a rise in first-half profit of 6.8 per cent to R798m (\$9.4m) for the first half of the financial year, from R749m in the six months to March, 1978.

Aid for Japanese savings bank

TOKYO—An emergency loan of ¥30bn (\$140m) is to be extended to the Taiko Sogo Bank by the Association of Mutual Financing Banks, the association announced. The advance will be made by invoking a mutual guarantee agreement of 71 mutual financing banks.

Lufthansa hopeful on growth

BY ROGER BOYES IN BONN

LUFTHANSA, the West German airline, is confident that it can repeat the high profit growth of 1978 but gives a warning that relatively low passenger fares and escalating energy costs could severely hit the company's margins.

DM 408m rises issue which will help to finance the planned investment. As reported yesterday, shareholders will be offered new shares in a ratio of 2:1 from June 8.

Despite price rises due to take effect this month, fares were still artificially low, Dr. Culmann said. This was aggravated by price cutting on some U.S. and Australian routes. Nonetheless, the first quarter of 1979 looked distinctly promising, helped by a rapid increase in passenger sales, which dropped sharply in 1977 and the beginning of 1978, partly because of terrorist threats against the company.

Kaiser Aluminum allowed to sell Hindalco stake

BY K. K. SHARMA IN NEW DELHI

THE INDIAN CABINET has this week made its decision to allow Kaiser Aluminum of the U.S. to sell its entire shareholding, of 27 per cent, in Hindustan Aluminum Company (Hindalco). With this, the Birla-controlled enterprise will become fully Indian-owned.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

FT INTERNATIONAL BOND SERVICE

The list shows the 290 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Euronote prices published on the second Monday of each month.

Table with columns: STRAIGHTS, Issued, Bid, Offer, day, week, yield. Lists various international bonds like Arab Int. Bank, BFG Fin. Co., etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, day, week, yield. Lists bonds like Nordf. Bk., Bk. of Canada, etc.

Table with columns: CONVERTIBLE BONDS, Issued, Bid, Offer, day, week, yield. Lists convertible bonds like Citicorp, etc.

Roplas India public issue

BY OUR NEW DELHI CORRESPONDENT

ROPLAS INDIA is to enter the capital market on May 31 with a public issue of 56,764 equity shares of Rs 10 each at a premium of Rs 2.50 per share.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SP

Advertisement for Tokyo Pacific Holdings N.V. and Tokyo Pacific Holdings (Seaboard) N.V. including quarterly reports and contact information.

Gain seen at Nippon Shinpan

By Our Financial Staff

NIPPON SHINPAN, the major Japanese consumer credit concern, expects net income for the current year to rise by 30 per cent to ¥3.9bn (\$18m) from ¥3.0bn in the 12 months to March, 1978.

This matches the rise last year in percentage terms, while sales are expected broadly to equal the 39.9 per cent increase in 1977-78, to reach ¥600.9bn (\$2.8bn), against ¥462.2bn.

Recurring profit is estimated to rise by 23.3 per cent to ¥8.9bn.

General Mortgage growth

BY L. DANIEL IN TEL AVIV

THE GENERAL Mortgage Bank, Israel's veteran mortgage institution owned by Bank Leumi, has achieved a 64.1 per cent increase in net profit for 1978 to L111.6m (\$4.85m) from 1977—about 15 per cent more than the rate of increase in the cost-of-living index.

Notice of Prepayment

Advertisement for CREDITANSTALT-BANKVEREIN U.S. \$40,000,000 Floating Rate Notes 1981, including terms and conditions.

Shell to build second platformer

BY WONG JULONG IN KUALA LUMPUR

SHELL REFINING BERHAD, which recorded a sharp rise in after-tax profits of 15.2m ringgit last year, is planning to build a second platformer costing 75m ringgit (U.S.\$33.8m).

Applications for the expansion have been submitted to the Malaysian authorities and the plant would help the refinery at Port Dickson to attain its capacity of 90,000 barrels per day.

The platformer would upgrade naphtha to platformate, a material with a high octane number used for premium motor gasoline and which the company has to import in increasing quantities.

Shell to build second platformer

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CREDITANSTALT-BANKVEREIN

Advertisement for CREDITANSTALT-BANKVEREIN U.S. \$40,000,000 Floating Rate Notes 1984, including terms and conditions.

YEN STRAIGHTS

Table with columns: Issued, Bid, Offer, day, week, yield. Lists various yen-denominated bonds.

SWISS FRANC STRAIGHTS

Table with columns: Issued, Bid, Offer, day, week, yield. Lists various Swiss franc-denominated bonds.

EUROPEAN AMERICAN BANK & TRUST COMPANY

Advertisement for EUROPEAN AMERICAN BANK & TRUST COMPANY, including services and contact information.

WORLD STOCK MARKETS

Indices

Dow picks up 5.5 in fairly active early trade

INVESTMENT DOLLAR PREMIUM \$2.60 to \$1.55 (55%) Effective \$2.60 23% (221%) HELPED IN part by some signs of economic slowing, Wall Street made a more determined effort to rally yesterday morning in fairly active trading.

The Dow Jones Industrial Average recorded an improvement of 5.55 at \$34.93 1 pm. The NYSE All Common Index recovered 38 cents to \$55.70. Closing prices and market reports were not available for this edition.

NEW YORK

Table of New York stock market data including columns for Stock, May 10, May 11, May 12, and May 13. Lists various companies like Abbott Labs, AM Int'l, and various industrial stocks.

Canada

Most sectors gained ground in a fairly active early business, with the Toronto Composite index rising 4.2 to 1,457.2 at noon. The Oil and Gas index climbed 1.01 to 2,195.5.

Germany

After a slightly firmer start, most shares drifted down in slow trading. The Dax index rose 1.5 to 2,100.9.

Japan

After a slightly firmer start, most shares drifted down in slow trading. The Nikkei-Dow Jones Average receded 54.26 from Wednesday's record closing peak to finish at 8,237.00.

Paris

Shares prices again displayed a firmer tendency in reasonably active trading. Institutional investors had been active throughout the session.

Hong Kong

Market further improved in fairly active dealings on hopes of a cut in interest rates at the next meeting of the Exchange Banks Association tomorrow.

Australia

Shares remained easier-inclined, although Banks depressed of late by the Bank of Adelaide's financial problems arising from its Finance Corporation of Australia subsidiary's difficulties.

Johannesburg

Despite record high Bullion indicators, Gold shares mainly turned downwards in fairly quiet trading.

Tokyo

Prices + or - Div. Yld. May 17. Table of Japanese stock market data.

Amsterdam

Prices + or - Div. Yld. May 17. Table of Amsterdam stock market data.

Brussels/Luxembourg

Prices + or - Div. Yld. May 17. Table of Brussels/Luxembourg stock market data.

Paris

Prices + or - Div. Yld. May 17. Table of Paris stock market data.

Switzerland

Prices + or - Div. Yld. May 17. Table of Swiss stock market data.

Copenhagen

Prices + or - Div. Yld. May 17. Table of Danish stock market data.

Vienna

Prices + or - Div. Yld. May 17. Table of Austrian stock market data.

MILAN

Prices + or - Div. Yld. May 17. Table of Italian stock market data.

Stockholm

Prices + or - Div. Yld. May 17. Table of Swedish stock market data.

Oslo

Prices + or - Div. Yld. May 17. Table of Norwegian stock market data.

London

Prices + or - Div. Yld. May 17. Table of UK stock market data.

Basel

Prices + or - Div. Yld. May 17. Table of Swiss stock market data.

Geneva

Prices + or - Div. Yld. May 17. Table of Swiss stock market data.

Madrid

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Barcelona

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Valencia

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Seville

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Granada

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Malaga

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Murcia

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Almeria

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Cadiz

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Huelva

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Badajoz

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Beja

Prices + or - Div. Yld. May 17. Table of Spanish stock market data.

Coimbra

Prices + or - Div. Yld. May 17. Table of Portuguese stock market data.

Lisbon

Prices + or - Div. Yld. May 17. Table of Portuguese stock market data.

Porto

Prices + or - Div. Yld. May 17. Table of Portuguese stock market data.

Aveiro

Prices + or - Div. Yld. May 17. Table of Portuguese stock market data.

Vila Real

Prices + or - Div. Yld. May 17. Table of Portuguese stock market data.

NEW YORK - DOW JONES. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial, Transport, Utilities, and Trading Vol.

STANDARD AND POORS. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial, Composite, and Y.N.S.E. All Common.

MONTREAL. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial and Composite.

TORONTO Composite. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial and Composite.

JOHANNESBURG. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial and Composite.

WEDNESDAY'S ACTIVE STOCKS. Table listing active stocks with columns for Stock, Price, and Change.

OSLO. Table with columns for May 16, Price, and Change. Lists various Norwegian stocks.

JOHANNESBURG. Table with columns for May 17, Price, and Change. Lists various South African stocks.

PARIS. Table with columns for May 17, Price, and Change. Lists various French stocks.

INDUSTRIALS. Table with columns for Stock, Price, and Change. Lists various industrial stocks.

EUROPEAN OPTIONS EXCHANGE. Table with columns for Series, Vol., July, Oct., Jan., and Stock. Lists various options contracts.

BASE LENDING RATES. Table with columns for Bank, Rate, and Date. Lists various banks and their lending rates.

NEW YORK - DOW JONES. Table with columns for May 10, 11, 12, 13 and 1979 High/Low. Includes Industrial, Transport, Utilities, and Trading Vol.

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INDUSTRIALS. Table with columns for Stock, Price, and Change. Lists various industrial stocks.

Handwritten signature and date: 18/5/79

Companies and Markets

No hurry over U.S. futures

WASHINGTON—The new chairman of the Commodity Futures Trading Commission, James M. Stone, intends to move cautiously in the next few months...

World peanut crop to rise

WASHINGTON—World production of peanuts in the 1978-1979 season is projected by the U.S. Agriculture Department at a revised 18m tonnes...

New Israeli cucumbers

TEL AVIV—New strains of cucumbers, which can be harvested mechanically, have been developed in Israel.

Platinum market at new peak

BY JOHN EDWARDS, COMMODITIES EDITOR

FREE MARKET platinum values reached a new all-time peak yesterday. The London sterling price of £312.10 an ounce, up by £2.60, exceeded the previous record reached in February.

The rise was attributed to further speculative buying triggered off by the upward trend in the New York market overnight.

Brazil plans coffee export auction

BY RIK TURNER IN SAO PAULO

THE Brazilian Coffee Institute (IBC) is unofficially reported to have decided to authorise sales from its stocks via a new system of auctions on the Sao Paulo Commodities Exchange.

Hides prices fall again

By Our Commodities Staff

HIDES PRICES continued to decline at yesterday's Manchester auction. Offerings were withdrawn at even lower levels than at the Leeds auction on Wednesday.

Bauxite levy rise sought

KINGSTON—The Jamaica Government has announced it wants to boost its production levy by nearly 82 on bauxite, reports AP-Dow Jones.

Swiss farm exports lower

By John Wicks in Zurich SWISS EXPORTS of agricultural produce fell in volume by 10 per cent and in value by 11.4 per cent last year.

BANGLADESH

New hope for land reform

BY KEVIN RAFFERTY

PRESIDENT ZIAUR RAHMAN of Bangladesh is committed to a land reform programme. "We have to carry out land reform measures, but will do it in a rational way and in accord with the democratic process," he said.

They are in favour of measures to give security to tenants and sharecroppers and workers. They are also in favour of measures to encourage private ownership.

Firm beef prices predicted

ROME—World Beef prices should stay firm this year and average 1978 levels, according to the UN Food and Agriculture Organisation.

£7m Heathrow 'garage'

BRITISH AIRWAYS is to spend £7m on a new base for its ground vehicles at Heathrow. The new base, including a 200-car 'fuel farm' is the second phase of a £14m scheme.

BRITISH COMMODITY MARKETS

Table with multiple columns showing commodity prices for Copper, Tin, Zinc, Lead, Nickel, Aluminium, and Silver. Includes sub-sections for 'COPPER' and 'SILVER'.

Table showing 'COCOA' prices with columns for 'Cocoa' and 'Cocoa Beans'. Includes sub-sections for 'COFFEE' and 'GRAINS'.

Table showing 'RUBBER' prices with columns for 'Rubber' and 'Latex'. Includes sub-sections for 'COFFEE' and 'GRAINS'.

Table showing 'SOYABEAN MEAL' prices with columns for 'Soyabean Meal' and 'Soyabean Oil'. Includes sub-sections for 'COFFEE' and 'GRAINS'.

Table showing 'PRICE CHANGES' with columns for 'Commodity', 'Price', and 'Change'. Includes sub-sections for 'COFFEE' and 'GRAINS'.

AMERICAN MARKETS

Table showing 'AMERICAN MARKETS' prices for various commodities like Wheat, Corn, Soybeans, and Cotton. Includes sub-sections for 'COFFEE' and 'GRAINS'.

ALUMINIUM COPPER NICKEL Reports on these commodities are now available. For copies, contact—ContiCommodity

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LONDON STOCK EXCHANGE

Long Gilts move higher after money stock figures but equities suffer relapse and close broadly lower

Account Dealing Dates
Options
First Declara- Last Account
Dealing's Dealing's Day
May 8 May 17 May 18 May 30
May 21 May 31 June 1 June 15
June 4 June 14 June 15 June 28

were therefore interpreted as mildly encouraging; money supply otherwise was in line with anticipations.
Government securities, in fact, improved after the money stock announcement with the longer maturities finally gaining as much as 2 1/2 places and the shorts recovering from early dullness to end unchanged on balance despite talk of top stock issues today; the Variables proved susceptible to the possibility of new issues and the 1982 variable fell 1/2 to 96 1/2. Interest throughout the market was, however, described as light and inhibited to some extent by the tone in sterling.

suffered double-figure losses in some cases.
Rates for investment currency edged higher to around 56 per cent before interest faltered and the premium closed a net 1/2 up at 55 1/2 per cent. Yesterday's SE conversion factor was 0.8142 (0.8203).

of the one-for-four scrip issue, due in a fortnight.
ICI drifted lower from the outset and settled 7 cheaper at 988p, while Fisons eased 10 to 290p.

relinquished 3 to 34p. Sporadic offerings and lack of support brought dullness to the leaders: John Brown lost 14 to 561p and Hawker gave up 6 to 240p.

to 323p on the \$3m acquisition of hydraulic control manufacturers Decoto.
Properties gave ground on end-account selling in the absence of buyers. Still unsettled by the sale of its French subsidiary, Bernard Sunley shed 15 for a three-day fall of 23 to 350p, while Percy Bliton cheapened 10 to 238p. A penny harder in immediate response to the proposed 27.4m rights issue, Scottish Metropolitan finished unchanged on balance at 141p. Carr Exchange in bid discussions with Rothschild Investment Trust, held at 310p following news that London Trust had sold its 7.19 per cent holding in the company.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, May 17, May 16, May 15, May 14, May 11, May 10, A Year Ago. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS
Table with columns: Index, High, Low. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

accordingly although they still managed minor gains on balance.
Bullion was finally 50 cents up at an all-time closing high of \$256.875, after a record \$259. The Gold Mines index rose 1.5 to 177 1/2 - its sixth consecutive gain - while the ex-premium index put on 0.4 to 144.3.

NEW HIGHS AND LOWS FOR 1979
Table with columns: Index, High, Low. Rows include BEERS (12), BUILDINGS (4), CHEMICALS (2), etc.

RISES AND FALLS YESTERDAY
Table with columns: Index, Up, Down, Same. Rows include British Funds, Foreign Bonds, etc.

LONDON TRADED OPTIONS
Table with columns: Option, Ex's, Closing price, Closing offer, Vol., Closing offer, Vol., Closing offer, Vol., Equity close. Rows include BP, Com. Union, Doms. Gold, etc.

Ins. Brokers dull
Insurances gave a drab performance with Lloyds brokers particularly affected by persistent offerings and lack of support. C. E. Heath led the retreat at 223p, down 12.

Hoover higher
Miscellaneous industrial leaders failed to take the previous day's technical improvement a stage further, lack of any follow-through support and Account influences making for lower levels. Turner and Newall, while ending 1/2 higher at 423p, rose 9 which followed news of the American Senate's move to lift sanctions on Rhodesia, while Bechem, results due next Thursday, gave up 5 to 690p.

Shell erratic
Shell's first-quarter profits were deemed satisfactory, but the chairman's cautious statement prompted a reaction from 73p to 75p before a price settled at 75p for a net fall of 7. British Petroleum touched 112p before drifting off to close just 2 up on balance at 112p. Elsewhere, Tricentral recovered unchanged at 216p, after 212p, but the new bid paid shares shed 4 to 49p premium, after 24p premium. Rumours of an imminent broker's bearish circular clipped 3 from Premier to 35p, after 34p.

Gold up again
After the recent sharp gains the South African gold share market began to look a shade uncertain yesterday. Prices opened on a steady note and moved ahead quietly in line with the bullion price. However, in the afternoon a wobble in the latter brought out modest profit-taking and share prices dipped

Cape Industries Limited and Transvaal Consolidated Land and Exploration Company Limited (A Barlow Rand Company) JOINT ANNOUNCEMENT
Cape Industries Limited (Cape) and Transvaal Consolidated Land and Exploration Company Limited (TCL) announce that negotiations are taking place which, if successful, will result in Cape's South African asbestos mining companies becoming wholly owned subsidiaries of TCL.

F.C. FINANCE LTD. a member of the Co-operative Bank Group
Turnover £56.6m 1978 £42.6m 1977 % increase 32.8
Profits before taxation £1,827m £1,128m 62.0
Earnings per ordinary share 11.0p 8.2p 34.1
Dividends (net) per ordinary share 2.2p 2.0p 10.0
Net tangible assets per ordinary share 105p 98p 7.1

DEALING DATES
Table with columns: Deal, Last, Declara- tion, Settlement. Rows include May 15, May 22, May 29, Jun 5, Jun 12, Jun 19, Jun 26.

ACTIVE STOCKS
Table with columns: Stock, Denomina- tion, Closing price, Change, 1979, 1978. Rows include BP, ICI, Shell Transport, etc.

RECENT ISSUES
Table with columns: Issue, Price, Yield, etc. Rows include 1115 F.P., 1100 F.P., etc.

FIXED INTEREST STOCKS
Table with columns: Issue, Price, Yield, etc. Rows include 99 1/2 F.P., 100 F.P., etc.

"RIGHTS" OFFERS
Table with columns: Issue, Price, Yield, etc. Rows include 180 F.P., 30 F.P., etc.

FT-ACTUARIES SHARE INDICES

EQUITY GROUPS & SUB-SECTIONS
Table with columns: Index No., Day's Change, Ed. Earnings Yield, Gross Div. Yield, P/E Ratio, etc. Rows include 1 CAPITAL GOODS (172), 2 BUILDING MATERIALS (27), etc.

FIXED INTEREST PRICE INDICES
Table with columns: Index No., Day's Change, etc. Rows include British Government, 1 Under 5 years, etc.

Handwritten text at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs. (a), Friends' Provid. Unit Trst. Mgrs. V, and others, including their names, addresses, and contact information.

Table listing insurance and property bonds, including companies like Abbey Life Assurance Co. Ltd., Crown Life Assurance, and others, with their respective details.

Table listing insurance and property bonds, including companies like Lloyds Life Assurance, The London & Manchester Ass. Co., and others.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including companies like Alexander Fund, Keweenaw Management, Jersey Ltd., and others, with their details.

NOTES: OFFERS DO NOT INCLUDE 5 PERCENT... (Small text at the bottom of the page providing additional information and disclaimers.)

MATTHEWS GOODMAN & POSTLETHWAITE
LONDON LIVERPOOL & PARIS
01-248 3200
Offices for Commerce

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

“Shorts” (Lives up to Five Years)

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30

Five to Fifteen Years

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30

Over Fifteen Years

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30

Undated

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30
British Treasury	97.5	10.55	11.30

INTERNATIONAL BANK

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

CORPORATION LOANS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

Public Bond and Ind.

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

Financial

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

FOREIGN BONDS & RAILS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BONDS & RAILS—Cont.

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BANKS & HP—Continued

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

CHEMICALS, PLASTICS—Cont.

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

ENGINEERING—Continued

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

AMERICANS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

Hire Purchase, etc.

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

DRAPERY AND STORES

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BEERS, WINES AND SPIRITS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BEERS, WINES AND SPIRITS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

BANKS AND HIRE PURCHASE

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

CANADIANS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT
Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4P 4BY
Tel: Editorial 8863412, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1.
Tel: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.
INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES
Amsterdam: P.O. Box 1296, Amsterdam-C. Tel: 22171. Telex: 204 555.
Birmingham: George Road. Tel: 241 464 0922.
Room: Pressbox 11/104 Housfield 2-10. Tel: 8869542. Telex: 210099.
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ADVERTISMENT OFFICES
Birmingham: George Road, George Road. Tel: 241 464 0922.
Edinburgh: 37 George Street. Tel: 72484. Telex: 031-226 4120.
Leeds: Permanent House, The Headrow. Tel: 0332 454969.
Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY.

SUBSCRIPTIONS
Copies obtainable from newspapers and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London.
For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026.

CHEMICALS, PLASTICS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

ENGINEERING MACHINE TOOLS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

FOOD, GROCERIES, ETC.

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

HOTELS AND CATERERS

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

INDUSTRIALS (Misc.)

Stock	Price	Yield	Div.
British Treasury	97.5	10.55	11.30

Signal a victory But it called for Holland

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms, with columns for stock price, change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property stocks including companies like British Land, Anglo-Continental, and various real estate firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust, Anglo-Continental, and others.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Continental, British Investment Trust, and others.

LEISURE

Table of leisure stocks including companies like British Leisure, Anglo-Continental, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Leyland, Anglo-Continental, and others.

DAIWA BANK advertisement: a fully integrated banking service, Head Office Osaka, Japan.

MINES—Continued

Table of mining stocks including companies like Anglo-Continental, British Investment Trust, and others.

TIENS

Table of Tiens stocks including companies like Anglo-Continental, British Investment Trust, and others.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Continental, British Investment Trust, and others.

NOTES

Notes section containing various financial notices, interest rates, and company announcements.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

OPTIONS

Table of options data including 3-month call rates and other derivatives.

OILS

Table of oil stocks including companies like Anglo-Continental, British Investment Trust, and others.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Continental, British Investment Trust, and others.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Continental, British Investment Trust, and others.

TEAS

Table of tea stocks including companies like Anglo-Continental, British Investment Trust, and others.

FAR WEST RAND

Table of far west rand stocks including companies like Anglo-Continental, British Investment Trust, and others.

FINANCE

Table of finance stocks including companies like Anglo-Continental, British Investment Trust, and others.

GOLDS EX-A-PREMIUM

Table of gold stocks including companies like Anglo-Continental, British Investment Trust, and others.

CENTRAL RAND

Table of central rand stocks including companies like Anglo-Continental, British Investment Trust, and others.

EASTERN RAND

Table of eastern rand stocks including companies like Anglo-Continental, British Investment Trust, and others.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-Continental, British Investment Trust, and others.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Continental, British Investment Trust, and others.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo-Continental, British Investment Trust, and others.

INSURANCE

Table of insurance stocks including companies like Anglo-Continental, British Investment Trust, and others.

PROPERTY

Table of property stocks including companies like Anglo-Continental, British Investment Trust, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Continental, British Investment Trust, and others.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including companies like Anglo-Continental, British Investment Trust, and others.



EEC talks on French plan to curb spot oil price

By Giles Merritt in Brussels and David White in Paris
EEC ENERGY Ministers yesterday considered French proposals to control the Rotterdam spot market for oil where prices have been rising sharply.

Supervision
The early indications were, however, that rather than attempting to control the Rotterdam market EEC Ministers would agree to strengthen their system of reporting, under which member Governments exchange oil market information.

Big buying
In reply, it seems, he has produced figures showing that France will cut oil use by only 2.4 per cent, and the Netherlands by only 2.9 per cent.

Stewart Fleming reports from New York: Under pressure from tightening oil supplies, and under tacit approval of the Carter Administration, major U.S. oil companies are stepping up their purchases of crude oil overseas and in the spot market.

Israeli Cabinet split over Gaza tactics

BY DAVID LENNON, IN JERUSALEM
THE ISRAELI Cabinet split yesterday on the question of Palestinian self-rule on the West Bank and Gaza Strip. On the eve of talks with Egypt on the future of these occupied territories, Mr. Ezer Weizman, the Defence Minister, quit the Israeli negotiating team in protest against the position adopted by the Government.

Egypt hits back over treaty by freezing partners' assets

BY RICHARD JONES, MIDDLE EAST EDITOR
EGYPT is mounting an economic counter-offensive against the opponents of its treaty with Israel by freezing the assets of its partners in the Arab Organisation for Industrialisation—Saudi Arabia, the United Arab Emirates, and Qatar.

Price Commission allows gas and electricity rises

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT
THE PRICE Commission acknowledged it no longer had an effective role to play in price control by allowing domestic gas and electricity prices to rise.

Economic pressure

reflects the continued impact of the industrial disruptions of the winter, the civil service dispute or a more buoyant than expected level of economic activity.

Council house discounts may be up to 50%

BY PHILIP RAWSTORNE
LOCAL AUTHORITIES are to be allowed to sell their houses to tenants at discounts of 30-50 per cent on the market price.

Exchange loses First Options

By James Bartholomew and Charles Batchelor
THE European Options Exchange in Amsterdam has suffered a major blow with the departure of one of its leading clearing members, First Options of Amsterdam.

Brave face

The exchange administration put a brave face on the news yesterday, saying, "There are still 10 clearing members who can more than adequately continue the EOE's clearing operations."

Gone downhill

But Mr. Robert Wilkinson, a partner in W. I. Carr, said yesterday, "The EOE has gone downhill rather than uphill."

Retail sales

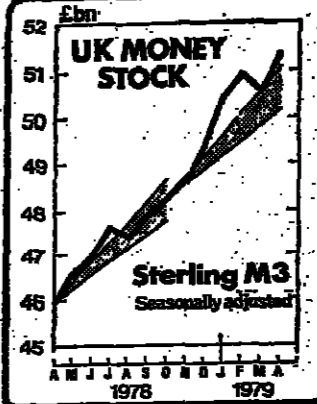
Continued from Page 1
that 18 months from mid-1977 seems to have continued in the early months of 1979 as increases in earnings stayed well ahead of the rate of inflation.

Weather

Table with columns for UK TODAY, WORLDWIDE, and various city forecasts including London, Paris, New York, etc.

M1 clue to the spending spree

Given the recent run of disappointing economic statistics the gilt-edged market was rather pleased that the April money supply figures were no worse than expected and prices of long dated stock closed £1 better.



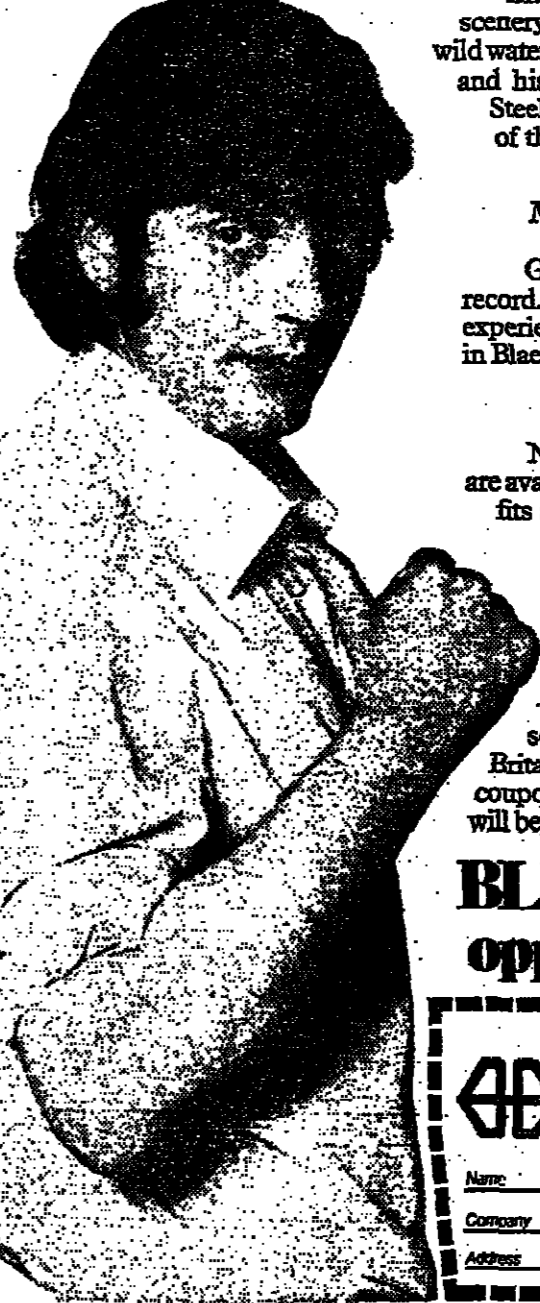
Chemical profits

The ICI share price has markedly underperformed the stock market this year and analysts are not expecting much joy from the first quarter figure due next Thursday.

D-Mark bonds

The decision of the West German banks to give the market in new issues of D-Mark denominated foreign bonds a two-week breather is a reminder of the shake-out that has hit the market since U.S. dollar recovered some stability.

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Like other special development areas around Britain, we could feature majestic mountain scenery or happy executives fishing for trout in wild waters... but our greatest assets are Garry Norris and his mates!

Form for Blaenau Gwent opportunity looking for industry, including contact information for Roger Leadbeter.